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# East Europe Report

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11 DECEMBER 1986

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## SPECIALISTS HOLD SEMINAR ON STATISTICAL ANALYSIS

Poznan GAZETA POZNANSKA in Polish 11 Sep 86 pp 1,2

[Unattributed article: "A Scholarly Conference in Poznan: Polish and Foreign Economists Exchange Findings"]

[Text] Yesterday at the Economics Academy, a scholarly conference on statistical methods for studying the economic performance of enterprises, organized by the Institute of Cybernetic Economics celebrating the institute's 60th anniversary, began. In all, during the course of the 2-day meeting 15 papers, including nine by specialists from Czechoslovakia, the GDR, and Bulgaria, will be presented. The four discussions sections will center on methods for measuring the socio-economic performance of economic activities, trade, and enterprises. The seminar is to review the mathematical and statistical methods for measuring investments and enterprise performance in various economic sectors, to exchange research findings from various academic centers cooperating with the Poznan academic community, especially in economics, and to examine the newest research methods and technologies for use in further comprehensive theoretical and empirical research on enterprises' economic processes.

Yesterday there was also a conference at the Poznan Academy, organized by the institution's Commodities Studies Institute, titled "Commodity Studies in the Service of Quality Control." Organizational and financial problems of science in Western Europe and Poland were discussed. Much attention was devoted to issues in implementing the ministerial-level research program: "The System for Stimulating and Protecting the Quality of Market Products."

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## POLISH TRADE TRENDS WITH USSR, CEMA SUMMARIZED

Warsaw ZYCIE GOSPODARCZE in Polish No 41, 12 Oct 86

[Article by Eugeniusz Mozejko: "Poland in the CEMA"]

[Text] The socialist countries' share in Poland's exports increased from 50 percent in 1981 to 56.5 percent in 1985. Their share in imports increased from 58.1 percent to 62.3 percent (in 1982 they exceeded 63 percent). These indexes illustrate a clear increase in the significance of Poland's trade with the socialist countries in the 1980's. This increase has resulted, among other things, from a policy to limit the effects of the abrupt halt in the development of economic relations with the West, largely caused by restrictions it imposed mostly on supplies of raw materials and production materials that Poland could suddenly no longer purchase in the capitalist countries. This caused a change in the geographical structure of Polish foreign trade, which the above data reflect.

A particularly large shift occurred in imports. The radical cut in imports from the capitalist countries at the beginning of the 1980's reduced them to a level that is still one-third lower than in 1979; while imports from the socialist countries in 1985 exceeded the 1979 level by 2.5 percent.

Since 1982 we have observed a negative balance in turnover with the socialist countries. This applies especially to trade with the USSR. In trade with the remaining countries the surplus of imports above exports has been relatively small, within the range of 4-8 billion zloty. Trade with the CEMA member countries (except for the USSR) produced a positive balance in 1982 and 1985. (It will probably be positive this year, too.) But it was negative in 1983 and 1984. In 1985 imports from the countries of the first payments area increased by a further 8.7 percent, to 10.1 million rubles. Imports from the USSR increased by 8.4 percent, and the negative balance of trade with these countries reached 923 million rubles. Poland also had a trade deficit with the GDR, but it had a trade surplus with the remaining CEMA member countries. Total Polish exports in rubles increased by 9.1 percent, faster than imports.

The negative balance of trade with the Soviet Union, which has existed now for several years and with the other socialist countries, which has also existed at times but on a smaller scale, is a concrete expression of their help in overcoming our economic difficulties at the end of the 1970's. In

speaking of the aid of the socialist countries we should not forget that besides the USSR and the other CEMA member countries the People's Republic of China made an important contribution by supplying some raw materials and meat during the most difficult period.

However significant Poland's economic difficulties still are, we can speak today of a new stage in the development of our partnership relations with the other socialist countries. A reflection of this is the continuing increase in Poland's exports to these countries, at a rate that has exceeded imports in recent years. Considering the statistical category of the first payments area, including all the CEMA member countries (trade with the PRC and Yugoslavia is in convertible currency), we can see that Poland's exports to this region (volume) has increased in 1983-85 by 5.7 percent, 7.4 percent, and 7.7 percent. Imports have increased respectively by 2.5 percent, 6.0 percent, 5.8 percent, and 8.5 percent.

In comparison with the serious difficulties, which Poland's trade with capitalist countries still encounters, the relatively high rate of increase in turnover with our socialist partners will predictably lead to a further increase in their significance in Poland's foreign trade.

A beneficial structure of our trade with the socialist countries favors the growth of our exports. Products of the electro-machine building industry made up more than 60 percent of the total exports to these countries in 1981-84. In 1985, this share increased to 63 percent, thanks to an increase in the electro-machine building industry's exports by 10.5 percent. Products of the chemical industry also constitute an important element in exports to the socialist countries; they have remained at a level above 9 percent for years. In 1985 the percentage of fuels (chiefly coal) and metallurgical products decreased slightly, because of stable production levels and an increase in domestic needs. Exports of products from light industry, however, increased, although they remain significantly lower than at the beginning of the 1980's. Agriculture and food exports also increased. Construction also forms a significant part of our exports to the socialist countries.

Among imports, which were dominated in previous years by supplies, there was an increase in investment goods beginning in 1984 and, recently, in consumer goods. The rapid increase in the imports of machinery and equipment from the socialist countries shows that they are playing an increasing role in the development and modernization of the Polish economy, which has been deprived of significant investment imports from the West.

The most significant problem in our relations with the socialist countries, chiefly with the Soviet Union, which must be gradually solved in the near future, is the payment of the debt arising from the long-standing surplus of imports over exports. As is known, at the end of 1985 the debt was 5.6 billion rubles (5.2 billion rubles to the Soviet Union), and it has now reached 6 billion. Further we owe the socialist countries and the CEMA banks \$2 billion in convertible currency. According to the decisions made at the beginning of the current 5-year plan, we are to strive for stabilization of the debt in transfer rubles. This debt incurs interest at a level significantly below the levels in the capitalist countries (the rate averages about

5 percent). The Soviet Union has also obligated itself to provide Poland with investment credits for completing the construction of some projects discontinued for lack of resources.

These are agreements of great value to Poland; nevertheless, balancing the long-standing negative balance in turnover of trade with the Soviet Union will require serious efforts and will not be easy as the disappointing results for 1985 and the current year show. Equalizing the turnover and then achieving a surplus of exports over imports are more difficult because of the unfavorable trends in oil and natural gas prices. We can count on these additional burdens declining in the near future, when the fall in the prices of these fuels on world markets begins to affect the rolling prices used in the CEMA. Nevertheless, Poland must strive for a decided improvement in the rate of export growth to the Soviet Union, which supplies one-third of our total import needs but receives not quite 30 percent of our exports.

The development of cooperative production with Soviet enterprises should contribute to the acceleration in the growth of exports. According to the agreements reached so far, it will expand into such areas as the production of mining machinery, machine tools, lathes, self-propelled cranes, passenger airplanes (IL-86, IL-114, IL-96-300) and the AN-3 agricultural airplane, and pharmaceuticals and other products.

During the present 5-year period, construction work in the completion of large investments in the Soviet Union should expand (construction of the pipeline from Iamburg to the western boundary of the Soviet Union, putting the oil deposits in Tangiz into production, construction of nuclear power plants, and metallurgical factories). Soviet participation in investments in Poland will help increase Poland's export potential. Thanks to Soviet credits, our ship repair yards, which provide services for Soviet shippers, will be expanded; the Soviet Union will also provide credits for, and Soviet enterprises will participate in the completion of, at least 12 previously agreed investment projects, including starting production of a new delivery truck and a new generation of color televisions.

Enterprises in the machine tool, food, and cosmetic industries are also planned.

One of the most recent initiatives was the signing of a long-term agreement (to the year 2000) to export Polish vegetables and fruits. Thus, there are significant opportunities for development in other apparently peripheral areas in which cooperation has not previously existed.

We attach great hopes to the development of direct contacts between enterprises of both countries. They should strengthen the organic production and scientific and technical relationships leading to new, better products that better satisfy both partners' needs. Contacts of this type began to develop on a broader scale only two years ago. This year the number of Polish enterprises in direct cooperation passed 100, and the number of Soviet enterprises is approaching 100. The number of scientific research centers involved in direct cooperation is about 50 in both countries. As a result of consultations conducted by the standing government groups for developing Polish-Russian economic relations a number of new enterprises and research centers have been identified that are to undertake cooperation in the near future.

In recent years we have undertaken new initiatives in cooperation with other socialist countries. With Hungary we have completed an important investment in a color television picture-tube factory in Piaseczno, and we have expanded cooperation in the production of buses. In cooperation with Czechoslovakia we will soon complete construction of a factory for producing bulbs for light bulbs in Pila and probably also a factory for graphite electrodes in Nowy Sacz. The CSSR will also invest in sulphur mining in Poland. Both countries intend to expand industrial cooperation, especially in electronics (one of the plans under discussion foresees producing videorecorders).

During the rebuilding of our economic relations with the socialist countries, we have laid a foundation for a new stage in their development that will deepen the level of integration among the socialist countries. This is a fundamental aim of Poland's policy, implemented systematically, especially since the crisis at the beginning of the 1980's. Help and cooperation with these countries was a basic external factor in overcoming the crisis. Integration with the CEMA will also be an important factor in the development of our national economy in the future.

The development of production and scientific and technical cooperation directed toward mastering new technologies and controlling them is particularly significant for the future of the Polish economy. Poland has actively participated in developing the basic aims of this cooperation and is participating no less actively in the implementation of such multilateral and bilateral projects. This will permit us as well as other CEMA member countries to remain current in such scientific and technical areas as computers, robotics, and the construction of elastic systems of production, biotechnology and others. It will also make it possible for us to resist limitations on the transfer of technology imposed by the NATO countries that aim to weaken the economic potential of the socialist countries.

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## CEMA INDUSTRIAL PRODUCTION RESULTS FOR MIDYEAR 1986

Warsaw ZYCIE GOSPODARCZE in Polish No 36, 7 Sep 86 p 15

[Unattributed article: "Industry in the CEMA Member Countries During the First Two Quarters"]

[Text] The Central Office of Statistics recently issued a report on the economic situation during the first two quarters in Bulgaria, Czechoslovakia, the GDR, Hungary and the Soviet Union (data for Rumania are not available) that shows, as in Poland, industrial production during the past two quarters increased significantly. These countries, however, suffered from no decline in production, like that in Poland at the beginning of the 1980's. A relatively high rate of increase in industrial production during the first two quarters of this year (about 6 percent) was recorded in the Soviet Union and Bulgaria. Poland's 5.6 percent increase in industrial production was among the leaders. The remaining countries' industrial production increased more slowly: in the GDR, 4 percent; in Czechoslovakia, 3 percent; and in Hungary, 1 percent.

Still, if we compare these figures with 1979, we are far behind. In the GDR and Bulgaria in comparison with 1979 industrial production was nearly 30 percent higher last year; nearly 25 percent higher in the Soviet Union; more than 15 percent higher in Czechoslovakia; and nearly 10 percent higher in Hungary.

If, as is probable, industrial production during the current year is about 3-4 percent higher for the whole year than last year, then Poland will exceed the level for 1979 by about 2-3 percent. On the other hand, in the Soviet Union, Bulgaria, and the GDR (assuming that the rate of industrial production in these countries for the entire year approximates that for the first two quarters) production will exceed the 1979 level by more than one-third, in Czechoslovakia by more than one-fifth, and in Hungary by about 11 percent.

For the majority of the more important industrial products, Poland's total production is usually second behind the Soviet Union, but in per capita terms frequently occupies a more distant position. This does not apply to hard coal or sulfuric acid, for example, where our position as the number two producer is relatively constant both in absolute and per capita terms: the Soviet Union produced 259 million tons of coal during the first two quarters

and in Poland 95.4 million tons, and the remaining four countries about 13 million tons; the Soviet Union produced 13.7 million tons of sulfuric acid produced, Poland 1.4 million tons, and the remaining four countries 2 million tons.

In absolute terms Poland's production (70.2 billion kwh) of electric power is second to the Soviet Union (805 billion kwh), but in per capita terms the other countries outdistance us: not only the GDR (58.4 billion kwh) and Czechoslovakia (42 billion kwh) but also Bulgaria (21 kwh). In brown coal production, the GDR (156 million tons) is first in absolute terms ahead of the Soviet Union (80.4 million tons); Czechoslovakia (50.3 million tons) is third, and Poland (32.8 million tons) fourth. In oil production the Soviet Union dominates decidedly (about 302 million tons, an increase of about 6.5 million tons for the same period last year). Oil production in the remaining five countries did not even reach 1.2 million tons, of which Hungary (nearly 1 million tons) produced the lion's share.

In the production of raw steel, in absolute terms, Poland is second behind the Soviet Union (80.4 million tons), but in per capita terms Poland is behind Czechoslovakia (7.8 million tons), the GDR (3.9 million tons), and Hungary (1.9 million tons). In comparison with the first two quarters of last year Poland's production increase (by more than 0.7 million tons) and the Soviet Union's (4.8 million tons) were higher than the remaining countries (less than 0.4 million tons combined).

Poland's automobile production (154,000 units) in absolute figures is also second to the Soviet Union (659,000 units). But in per capita terms Poland was behind the GDR (108,000 units), and Czechoslovakia (94,700 units). In comparison with the first two quarters of last year, Poland's increase in automobile production (17,500 units) was higher than the remaining countries' (about 9,000 units).

In the production of artificial fertilizers, Poland (1.3 million tons) is third behind the Soviet Union (17.5 million tons) and the GDR (2.5 million tons). In per capita terms Poland is also behind Hungary (0.5 million tons).

Poland is last on the list (in per capita terms) in the production of artificial materials (0.3 million tons); the Soviet Union produced 2.2 million tons; Czechoslovakia, 0.6 million tons; the GDR, 0.5 million tons; and Bulgaria and Hungary each, 0.2 million tons. In comparison with the first two quarters of last year, production of artificial materials in Poland grew by only 1.2 million tons; in the Soviet Union by 183,000 tons; in Bulgaria, by 27,000 tons; in the GDR, 20,000 tons; in Hungary, by 7,000 tons. Similarly paper production was 558,000 tons in Poland; 3.1 million tons in the Soviet Union; 486,000 tons in Czechoslovakia; 445,000 tons in the GDR; 220,000 tons in Hungary; and 188,000 tons in Bulgaria. Poland also brought up the rear in cloth production (558 million  $m^2$ ); the Soviet Union (5.7 billion  $m^2$ ); Czechoslovakia (534 million  $m^2$ ); the GDR (383 million  $m^2$ ); Bulgaria (241 million  $m^2$ ); and Hungary (208 million  $m^2$ ).



In the production of meats and fats Poland (1.1 million tons) is second behind the Soviet Union (5.2 million tons), but in per capita terms Poland is also behind Hungary (0.4 million tons) and the GDR (0.9 million tons). In butter production in absolute terms Poland (127,000 tons) is behind the Soviet Union (0.8 million tons) and the GDR (163,000 tons), but in per capita terms Poland is also behind Czechoslovakia.

In comparison with the first two quarters of last year Poland's production of meat and fats increased significantly (160,000 tons), less only than the Soviet Union's (282,000 tons). The remaining countries' combined increase was about 20,000 tons. However, during the last two quarters Poland's butter production declined nearly 12,000 tons; while the Soviet Union's increased 46,000 tons, and the remaining countries' slightly more than 10,000 tons.

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## CEMA COMMISSION TO DISCUSS QUALITY CONTROL SCHOOL

Lodz GLOS ROBOTNICZY in Polish 8 Sep 86 p 2

[Unattributed article: "In the Standing Commission for Quality Control and Standards of the Technical and Scientific Organizations: The Operation of the Regulations on Standardization; the Proposed Creation of an International Quality Control School in Piotrkow; the National Conference of Scientists and Practitioners"]

[Text] On the 11-13 of September in Piotrkow Trybunalski specialists on production and product quality from the CEMA member countries will meet, as part of the 11th international conference of the Standing Commission for Quality Control and Standards of the Federation of Economic, Scientific, and Technical Organizations of the CEMA member countries. The subject of the conference will be the significance of the normative documents on standardization and metrology for ensuring production quality and facilitating the exchange of goods within the CEMA.

The members of the Federation of Economic, Scientific, and Technical Organizations from Czechoslovakia, Bulgaria, the GDR, the Soviet Union, Hungary, Rumania, and Poland will familiarize each other with the civic and institutional efforts on behalf of quality control. During the meeting they also intend to establish a common program for increasing product quality which in various forms the production enterprises and their supervising institutions can undertake in each of the CEMA member countries. The system of production planning and quality control will also be discussed.

As Jan Wasilewski, the secretary of the Scientific and Technical Committee for Quality Control of the Chief Technical Organization noted, the participants will evaluate the organizational and substantive preparedness for founding an International Quality Control School in Piotrkow. We will report on this interesting and needed initiative more broadly in the future; for now we wish to note that the International Quality Control School will constitute a forum for exchanging knowledge in improving the production quality in the CEMA member countries. Scientists, producers, and industrial managers will be able to present their opinions. The practical result of these confrontations should be ways to modernize production technology and to apply methods for classifying products and controlling quality.

The 11th meeting of the Standing Commission on Quality Control and Standardization will be a part of the national conference on the significance of normative documents on standards and metrology for ensuring production quality and facilitating the exchange of goods within the CEMA. Seven papers on production quality control, methods for studying and controlling quality and the overall state of quality of industrial products will be presented. Representatives of the local office of the Polish Committee on Standards, Measurements, and Quality, quality inspectors, technologists, and standardizers from the machine-tool, metallurgy, chemical, light, agricultural and foods, and construction industry enterprises and work cooperatives will also participate. The participants will also visit the Flexible Furniture Factory in Radomsk, the Commercial Glass Factory Hortensja in Piotrkow, and the Agricultural Production Cooperative in Sulejow, and they will also meet with the members of the Exporters Club and the political and administrative authorities in the Piotrkow voivodship.

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## PITRA ON AGRICULTURAL TASKS, PROBLEMS

AU301243 Prague RUDE PRAVO in Czech 23 Oct 86 pp 3, 4

[Article by Frantisek Pitra, candidate member of the Presidium and secretary of the CPCZ Central Committee, in the "Strategic Line--Acceleration of Socioeconomic Development" series: "Further Raising the Degree of Self-Reliance"]

[Excerpts] While appreciating the results in the agriculture-food industry complex, the 17th CPCZ Congress simultaneously pointed to the existence of a number of discrepancies between the targets of our plans and the reality. We must concentrate the main attention on precisely the sectors in which we are not succeeding in fulfilling tasks. Agricultural production continues to be dependent to a considerable degree on climatic influences. The scope of contingency reserves which have been created does not provide a full guarantee of the necessary stability of agricultural production. We are lagging behind in the standard of production and, above all, in the quality of potatoes, sugar beets, and vegetables. There continue to be unjustified differences in the intensity of production and degree of efficiency between agricultural enterprises working under comparable conditions. Not all agricultural enterprises make a sufficiently effective use of land resources and the most of material inputs. From this follows a relatively high cost-intensiveness of agricultural production. Society therefore sets aside formidable financial assets to subsidize the retail prices of some foodstuffs.

## Rising Demands on Quality

As the market becomes saturated, there is a rise in demands on quality, on the provision of an assortment that meets the criteria of healthy nutrition, and on the supply of food products with disparate price levels. Neither the scope of innovative processes nor the quality of the work of the trade network correspond to these demands. We cannot be satisfied with the quality of production assets and with the completeness of their deliveries. The specifications of some of our agricultural equipment lag behind world standards. The quality of chemical agents, especially herbicides and pesticides, does not meet the requirements of intensification.

These shortcomings appear in a particularly sharp light when they are confronted with the tasks that were laid down by the 17th party congress and

with the conditions under which we shall be ensuring the provision of food for the people in the period to come. It is these conditions that constitute the point of departure of the "Main Guidelines of Economic and Social Development in the Years 1986-90" and of their concretization in the Eighth 5-Year Plan. These documents place great demands on the work of farmers and the work force of other branches taking part in the provision of food. Gross agricultural production must increase 6.9 percent compared with the preceding quinquennium; of this, crop production must increase 9.3 percent and production of animal produce 5 percent. The output of our food industry in 1990 should be almost 10 percent higher than in 1985. The proposed level of production at the end of the Eighth 5-Year Plan will ensure, for example, per capita consumption of 88.3 kg of meat, 2.3 kg more than last year's actual consumption. Consumption of vegetables, fruit, milk and dairy products, and other foodstuffs will register a substantial increase.

We would be simplifying matters if we said that in the present period it is no longer the volume of the production of foodstuffs that matters, but only their quality and the efficiency of their production. Although the dynamism of the growth of volume indicators is somewhat lower than in the preceding quinquennium, the task is no less difficult, notably in the growth of crop production. This difficulty is borne out by this year's shortfalls in the production of grain and a number of other crops. The production of grain crops remains the key task. It should increase 5.2 percent against the actual production of the preceding quinquennium. To achieve the planned production of 57.3 million metric tons of grain crops, the annual harvest must be higher by an average of 567,000 metric tons than it was in the preceding quinquennium. We envision a higher production in all other crops as well. Particularly demanding are the tasks in the production of oil-bearing crops, which should increase 32 percent; pulses, which should increase roughly 25 percent; flax, which should increase about 20 percent; and hops, which should increase more than 17 percent. This will require the utilization of all accessible findings of science and technology in programming and materializing yields and, above all, the tapping of unused potentials in enterprises that trail behind in individual farming sectors. The lower dynamism of gross agricultural production, compared with previous quinquenniums, results from the need to stabilize agricultural output by achieving a priority growth of crop production. Growth in the production of animal produce is feasible only in harmony with actual feed resources.

#### Tasks Proceed From Realistic Possibilities

The complex nature of the changes that must be effected in raising efficiency is illustrated by the following comparison: The planned average annual rate of reducing production input in agriculture is 1.1 percent, compared with 0.9 percent in industry. In industry, production growth will account for almost 60 percent of the increase in the creation of national income, and the reduction of production input for about 40 percent. In agriculture, this ratio must be reversed. Only 38 percent of the increase in its contribution to the creation of national income should result from production growth and 62 percent from the reduction of production input. The tasks of the Eighth 5-Year Plan, including resources allocated to ensure them, proceed from the

realistic possibilities and needs of the national economy. They also respect the limiting factors that will exert their influence on the process of the efficient intensification of agriculture. This concerns, in particular, the availability and quality of land resources and the possibilities of supplying crucial intensification, energy, and other inputs. However, the limited availability of resources is far from being the main reason for the pressure being exerted on efficient intensification.

The need for consistent orientation toward efficiency arises from the requirements of the "process of acceleration" as such. We have achieved a quantitative saturation of social needs in most basic food items. That is why it is necessary, and possible, to make the transition to a new stage of food policy, the stage of the growing importance of the qualitative parameters of healthy nutrition.

Our past performances created the necessary prerequisites for the fulfillment of current tasks. A good foundation is provided, above all, by the predominantly positive results in implementing the conclusions of the 11th Session of the CPCZ Central Committee of 1984. This was also demonstrated during a review carried out recently in the Presidium of the CPCZ Central Committee. The measures adopted in the wake of the 11th Session of the CPCZ Central Committee contributed to the fulfillment and overfulfillment of the main tasks of last year's plan. Owing to a higher degree of mobilizing internal reserves and more favorable climatic conditions, we thus succeeded in eliminating shortfalls from preceding years and in successfully fulfilling the tasks of the Seventh 5-Year Plan. The clarification in due course of the directions of the long-term development of the agricultural-industrial complex also established conditions for a more comprehensive preparation of the Eighth 5-Year Plan.

#### Quality of Management Is Decisive

In connection with the practical targets expressed in the long-term program, we drew up measures to improve the economic mechanism and published instruments of the system of management for the period of the Eighth 5-Year Plan. Planning within the framework of the national economic agricultural-industrial complex, which creates prerequisites for improving the quality of inter-branch ties, simplification of the indicators of the plan, reinforcement of the economic accountability of the enterprise sphere, and application of the system of economic contracts as an integral part of the plan--all this makes it possible to implement in the agricultural-industrial complex ahead of other branches measures that are necessary to improve the economic mechanism within the framework of the national economy as a whole. Their aim is to further reinforce economic pressure in order to achieve a more thorough mobilization of internal reserves, a broad-based utilization of the findings of science and technology, and a further increase in the efficiency and profitability of agricultural production.

Gradual implementation of the improved system of management establishes a more demanding economic climate, one that is conducive to the enforcement of the line of efficient intensification. Agricultural enterprises are paying

increased attention to cost efficiency, to the rational utilization of production resources. Their interest in a more thorough application of scientific-technical progress has become stronger. The merit principle is gaining ground in the wage policy and the quality of intra-enterprise management is improving.

However, despite the generally positive functioning of the system, there exist many untapped possibilities of making it work even more effectively. The sharp criticism addressed from the congress rostrum to many managerial agencies, marketing and food processing organizations, and suppliers was fully justified. The party made it plain that even in this sphere one must not tolerate any discrepancy between words and deeds. This was addressed both to responsible lower-level managerial agencies and to the respective central agencies. No one has the right to interpret the principles of the system in his own way. This also applies to attempts at "ordering about" agricultural enterprises and at telling them what to sow and where, how much livestock they should keep, and so forth. Given such approaches, it is no wonder that, instead of being a mobilizing factor of creative activity, the plan becomes a means of coercion at many places, a means of enforcing obedience to the superiors' often subjective ideas. The effectiveness of managerial work in implementing national needs does not lie in the expansion of directive management, but in methods promoting the broadest possible development of the labor collectives' activity.

The existence of untapped possibilities in the level of management is borne out by the process of raising the economic standards of enterprises that trail behind. Although intensity and cost efficiency have increased in roughly two-thirds of them, a considerable number of these enterprises failed, owing to unexacting implementation of intensification programs, in a speedy elimination of the causes of their trailing behind. Despite efforts to deal with the problem in a more comprehensive way, some shortcomings in this area persist to this day. The quality of the managerial and control activity of the Ministries of Agriculture and Food and of agricultural administrations does not yet provide the necessary guarantee of an optimal utilization of the formidable resources appropriated for the intensification funds. It is necessary to put an end to the search of excuses for the trailing behind and to seek a solution by means of changes in the subjective factors in the management of those enterprises. This is the main prerequisite of capitalizing on the resources which society invests in this area.

We have acquired initial practical experiences with ensuring the state plan under conditions of a limited number of mandatory indicators and enhanced powers and independence of the enterprise sphere. Concluded economic contracts and enterprise plans for this year safeguard to a decisive degree society's needs for foodstuffs and agricultural raw materials. However, we are far from being able to say that the administrative, directive method of ensuring the plan has been overcome. Rather, the opposite is true. It is apparent that inertia in thinking and traditional approaches are very strong. We have managed to introduce into life only individual elements. The overall level of negotiating supplier-user relations in the planning process continues to be inadequate. There are also considerable differences in the approaches of marketing and food processing organizations to the conclusion

of economic contracts. Also, the rare meting out of sanctions in the event of nonobservance of contracts by the producer or the marketing or food processing organization shows that one of the crucial tasks is to raise the authority and binding nature of the contract.

Approaches to the creation of the executive plans for this year make it clear that the enterprise sphere has responded to the introduction of the modified economic instruments in greatly disparate ways. The majority of agricultural enterprises passively projected the measures concerning economic instruments into their fiscal plans. Only a minority consistently sought ways of tapping internal reserves and improving qualitative indicators. The results of plan fulfillment in those enterprises show that it pays to "rack one's brains." We must draw conclusions from all these experiences in approaching the implementation of the tasks of 1987 and elaborating enterprise plans for the Eighth 5-Year Plan. Current work on the preparation of these plans must be in full harmony with the principles of the valid system.

#### Making an Effective Use of Internal Reserves

Pressure on thrift and a high level of labor productivity and efficiency in agricultural enterprises cannot be confined just to crop production and the production of animal produce. Ancillary production must also be the subject of special attention. Some 60,000 employees are currently occupied in these sideline activities. Their total annual volume of output is about Kcs 16 billion. These activities are socially beneficial. However, in the eyes of the public, the importance of ancillary production is depreciated by cases of lack of discipline or by violations of valid regulations.

Efficient intensification is inconceivable without improved management at all levels. And scientific management is not feasible without good-quality information. That is why more effective use must be made of progressive devices of computer and communication technology. That is not a fashionable trend but a necessity. Almost 18 percent of the agricultural enterprises currently use a total of 720 personal computers [mikropocitace] in management, aside from services provided by the Agrodatabank enterprise and the Management Rationalization Enterprise. About one-third of the agricultural enterprises are equipped with radiocommunication devices. The experiences of outstanding enterprises that use computer technology to improve the planning of production and its management in real time must be disseminated at a much faster rate.

The exactingness of the tasks of the Eighth 5-Year Plan requires greater consistency in creating practical conditions for increasing the efficiency of food production. In primary agricultural production this means, above all, greater consistency in asserting a rational use of available production resources. Rational use does not mean saving in the wrong places. Absolute reductions in costs are more of a sign of extensiveness than of intensiveness.

One example of shortsighted "economizing" measures is the lower procurement of industrial fertilizers. Nutrients drained from the soil by high per-hectare



yields must be fully offset by new nutrients. Nature cannot be fooled in this respect. This does not mean, of course, that there is no need to apply fertilizers more economically.

#### First Steps Have Been Taken

The first steps to implement the conclusions of the 17th congress and to fulfill the Eighth 5-Year Plan have already been taken in the course of this year. The process of intensifying livestock production continues. Livestock yields have further increased, compared with the same period last year. This higher intensity of livestock production was achieved primarily by means of a more efficient utilization of feed. The attained level of production of animal produce is reflected in the continuous fulfillment of procurement with regard to all main products of animal origin.

The results of crop production, on the other hand, were negatively affected by adverse weather. The production of grain crops is slightly below the average of the preceding quinquennium. This means that the grain harvest fell roughly 600,000 metric tons short of planned targets.

In some other crops, too, we will fail to reach the planned production level. This year has shown once again the existence of subjective shortcomings in the utilization of available intensification factors in individual agricultural enterprises. In a number of cases, these subjective shortcomings accounted for a considerable portion of the shortfalls.

The shortfalls must not, however, affect planned tasks in the production of animal produce. Managerial agencies and agricultural enterprises have taken a number of specific measures to come to terms with the implications of the lower-than-planned production of grain crops. These concern primarily an increase in the production of feed dried by hot air, the rededication of acreages from silage corn to grain corn wherever this acreage lends itself to this, the expansion of the acreage sown with winter grain crops at the expense of feed crops, and a more economical use of concentrated and bulk feed. The effectiveness of these measures will depend on the consistency of all managerial levels and of agricultural enterprises themselves and on their accountability for the timely implementation of these measures. Nevertheless, to meet the needs of the feed balance, it will be necessary to use part of the contingency reserves created last year.

The very first year of the 5-year plan thus conclusively demonstrates the vital importance of the handling of feed reserves for the stability of agricultural output. Managerial agricultural agencies must, however, create a more comprehensive mechanism that would more markedly stimulate agricultural enterprises' self-reliance in feed crops. The existing practice of distribution of feed from a central stock does not exert sufficient influence in this respect.

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## FUTURE ELECTRIFICATION OF RAIL SYSTEM OUTLINED

East Berlin SIGNAL UND SCHIENE in German Vol 30 No 5 1986 (signed to press 17 Sep 86) pp 161-162

[Article by Siegward Hempel: "Requirements for Electrification of the Deutsche Reichsbahn Raised for the Period 1986-1990"]

[Excerpts] The measures needed to increase the productivity of the Deutsche Reichsbahn can be summarized in the following points:

- rehabilitating and increasing the profitability of the heavily burdened railroad system by ensuring scheduled maintenance and eliminating bottlenecks in capacity
- modernizing routes and marshalling yards with a high volume of traffic through electrification and the use of modern safety, information and robotized equipment
- increasing the availability of rolling stock through more intensive utilization and the use of high-performance maintenance technologies
- ensuring the regular development of social work skills through the consistent application of findings from research and technical development.

Electrification of the railroad system occupies a key position, there can be no mistaking this.

Tasks to be Accomplished in the Electrification of the Deutsche Reichsbahn 1986-1990

In accordance with resolutions already passed, electrification will continue, covering 1,500 kms, with an average increase of 300 km/year. The proportion of electric traction for moving trains on the electrified part of the system will be increased from 27 percent of the total rail network to 60 percent by 1990. With the savings in our resources of steel, copper and zinc, the equivalent of between 180 and 200 kms can be electrified, and the specific outlay per kilometer of line, compared with the base year 1980, will be reduced by 20 percent to M1.6 million. In order to meet the requirements for electric traction, 550 locomotives will be obtained from production in the GDR and 20 dual-system locomotives from the CSSR for the purposes of cross-border traffic.

In 1986, 296 kms of railroad will be electrified, 125 kms of which had already been connected to the electrified system by 31 July. On 12 April, in Bad Kleinen, the 1,000th kilometer of line converted to electrical power was turned over to railroad management. This was followed on 31 May by the 5-kilometer section from Bentwisch to Poppendorf and, ahead of schedule, the section from Wittenberg to Fermerswalde (45 km). The Falkenberg station will be reached on 27 September, and in the fourth quarter the sections Falkenberg-Riesa, Riesa-Elsterwerda, Delitzsch-Eilenburg, Bad Kleinen-Schwerin/Wismar-Klein Warnow and Schoena to the Czechoslovakian border will follow. The planned growth in the Rostock, Halle and Stendal transformer works, each with a capacity of 10 MVA, was delivered ahead of schedule. The Buetzow and Schwerin transformer works, each with a 20 MVA capacity, are also to be connected to the power supply grid of the Deutsche Reichsbahn.

In 1987, electrification of the main lines from Magdeburg to Schwerin will be completed, and the main Berlin railroad station will be connected to the electrified system. This will be followed by the partial electrification of the main line from the Berlin Outer Ring to Pasewalk and Stralsund (Ruegen) and the Cottbus coal district, together with the lines to carry the coal. Electrification of these lines will continue in the following years. By the end of the 5-year plan the following lines will have been electrified:

- Berlin Inner Ring (Frankfurter Allee-Pankow)
- Riesa-Karl-Marx-Stadt
- Berlin-Frankfurt/Oder-Eisenhuettenstadt.

Electrification work is also starting on the Seddin-Rosslau, Halle-Sangerhausen-Erfurt and Rostock-Stralsund sections. The capacity needed to supply electrical energy to the railroad will be created by the construction of transformer stations at locations in Wittenberge, Falkenberg, Eberswalde, Senftenberg, Prenzlau, Anklam, Stralsund, Cottbus, Frankfurt/Oder and Rosslau.

There will be a greater concentration on this type of plan in the 5-year plan period 1986-1990. They are an accompaniment to the expansion and/or alteration of existing installations on lines that are to be electrified. These steps are absolutely necessary as ways to increase the capacity of the system and the marshalling yards and as followup measures in the brown coal fields or as technical requirements for route electrification. The deadlines established in central resolutions require a technological leadtime for these electrification projects. So the processes of planning, preparation, balancing, ensuring material reserves and execution of these projects must be coordinated with electrification in such a way that the preconditions for it are in place. Special priorities are:

- installation of telecommunications cables
- expansion of marshalling yards and the construction of second tracks
- track laying in the Cottbus/Senftenberg area
- steps to build bridges, for example, the bridge along the Leninallee in the capital and the Wittenberge bridge over the Elbe
- rebuilding the switch tower in Frankfurt/Oder

Ensuring full rail system performance when electric train operation commences requires a corresponding plan for maintenance and its coordination with the process of electrification, the object being to minimize any factors which influence operation. To this end, the technological possibilities have to be studied and utilized better.

#### Important Requirements for the Continuation of Electrification

##### o Further increase the lead time for preparation

Properly scheduled preparation of electrification projects will meet a crucial condition for electrification of the system. Establishing the chronological sequence that conforms to the law is just as important as the quality of the documentation. The progress already made must be extended still further. A special focus of attention is improving the quality of the client's documentation, on which technical preparations for electrification are based. Inadequate documentation leads to additional expense in design and disruptions in material supplies and the sequence of construction and assembly.

There must be consistent collaboration on the part of the construction and assembly enterprises in drawing up assignments and making decisions of principle. Findings from research and development must be introduced more quickly by means of the preparation process. More comprehensive use must be made of CAD technology at the design stage for the overhead wires in order to increase design lead time and to reveal new possibilities, for example, elements of catalog design.

##### o Perfect Management Organization

Stable partnerships have developed and proved themselves in the electrification process. For instance, the VEB Energy Construction, as the general contractor (GAN) for construction of the transformer works and as the principal contractor for the overhead wire installations, has met all its requirements. Important findings for the organization of electrification management can be drawn from the cooperation of the Deutsche Reichsbahn with this particular partner. Basically, the primary accomplishments of electrification have to be realized as part of the principal contractor's agreement and the configuration of the partners has to be established. As has been proven, this also applies to the transformer works. Based on a delimitation of this type concerning the responsibilities between the clients and the contractors, the task for the future will be to define precisely the partners' relationships for construction and assembly priorities and to staff them.

It has been shown that the management organization, on site so to speak, is crucial for electrification projects being completed on schedule and for turning up reserves. Precise planning of the construction and assembly sequence based on plans for major deadlines is still an absolute requirement. The daily projection and tallying of what has been accomplished is not an exaggerated requirement, but a method that is the result of the multiplicity of organizational elements and particularly of cooperation with railroad management. These methods were practiced successfully in the "1,000th Kilö-

meter" initiative and in the electrification of Falkenberg station, so that their broader application must be required and implemented.

#### Exploit Reserves in the Area of Technology and Organization

For the coming 5-year plan the framework for the technology to manufacture the overhead contact wire installations must be defined on the basis of construction conditions and the construction and assembly equipment that determines output. Technologies were devised and introduced for the various types of foundation and contact wire assembly on open sections and in stations, and optimum figures were achieved on this basis. Now it is a matter of perfecting these technologies and having all construction and assembly units use them. To implement this requirement, tighter management of the material supply processes, including what are called the auxiliary processes, will be necessary, as will monitoring the responsibility for them at the preparation stage.

Regularly scheduled allocation of construction materials and equipment for the work trains and of personnel, including supervisory staff, is a requirement if optimum figures are to be achieved and ultimately expanded into consistent levels of output. This will make it possible to shorten construction and assembly times and reduce the length of time that they affect railroad operation. Ultimately, by planning the construction and assembly sequence, overall gains in capacity can be achieved and the cost of electrification reduced as the result of shortening the construction and assembly times related to the projects. At the same time the transportation area of the DR can be relieved of some its load.

Seen from an economic point of view, reducing the need for periodically closing the lines for the construction and assembly work involved in electrification is a priority task, which must be at the focus of the organization of socialist emulation. Naturally, clear criteria for evaluation and normatives are needed, which are ultimately binding for all the partners involved in the process and which take into consideration the conditions of reproduction in the construction and assembly enterprises. There has been too little calculation and stimulation in this area. Analyses of the granting and utilization of shutdown periods show unambiguously that reserves are available. Even if a high concentration of construction and assembly work actually occurred on an unscheduled basis in the case of projects in the process of completion, it was often possible to shorten the work and limit the additional local effects on operation. From this it can be concluded that a scheduled concentration of construction and assembly work results in a shortening of the time required, and railroad management can make scheduled adjustments, so that no extra operational rules are needed. This link shows that the greatest reserves in electrification lie in the use of organizational efficiency, given the conditions of a heavily stressed DR rail network.

#### Continue the Tried and Tested Methods of Political Leadership

A fast tempo in electrification presupposes a goal-oriented political leadership function and socialist emulation. The fact that electrification of rail-

road lines has been assigned to young people as a central youth project took on special significance. At the end of the 5-year plan just ended, the number of young people involved in the construction of the contact wire and electrical supply installations, in the work of adaptation, in the manufacture of electric locomotives and in important supply work was more than 60 percent. The central party headquarters, FDJ headquarters under the direction of the Central Council and the central trade union panel provided effective guidance. The formation of party staffs and party panels at the Bezirk and local level, as well as for specific sections of line, and their active work had the effect of mobilizing everyone. The trade union panels and the FDJ panels, which have been assigned to specific sections since 1984, contributed to the creation of a competitive atmosphere at all times to achieve and surpass all the targets that had been established. Comprehensive socialist competition was perfected and it is constantly releasing the initiatives of young people and their older colleagues. This unity of political leadership and the willingness on the part of the workers to accept assignments and perform guarantees that the objectives of the 5-year plan 1986-1990 will be met in the electrification of our railroad lines as well.

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## GOALS, STRUCTURAL ADVANTAGES CITED FOR MEETING ECONOMIC AGENDA

East Berlin WIRTSCHAFTSWISSENSCHAFT in German Vol 34 No 10, Oct 86 pp 1447-58

[Article by Helmut Koziolk, Dr of Economics, certified economist, born 1927, director of the Central Institute for Socialist Economic Management CC SED, member of the CC SED, chairman of the Science Council for Economic Research, GDR Academy of Sciences, member of same academy, member of the Research Council, recipient of the National Prize. Original title: "The Economic Strategy of the 11th Party Congress of the SED and the New Stage of Connection between Science and Production." The first two paragraphs constitute the English language summary provided]

[Text] The 11th SED Congress, with its fundamental decisions, has initiated a qualitatively new stage in the further formation of the developed socialist society in the GDR. The main field of activities of the party is the unity of economic and social policies. The economic strategy of the 11th SED Congress encompasses in a condensed form all fundamental tasks to be solved in the unity of economic and social policies, enabling the GDR to tackle successfully the aims stipulated till 1990 and preparing it well for the solution of the further tasks up to the turn of the millenium. The new quality of the economic strategy of the 11th SED Congress is most clearly characterized by the wide and deep use of the key technologies. The vehicle of the growth of efficiency are primarily the combines. In this context, a decisive factor is to establish a well functioning system of the socialist planned economy. The command over the key technologies has to be primarily expressed in the acceleration of the rate of development of labor productivity and comprehensive intensification. Still more than in the past it is indispensable that science is connected with production and production with science.

The new aspect in the organic combination between science and production is that basic research will be made into an integral component of research and development in the combines. A considerable part of basic research in the GDR is immediately oriented towards the economic, technical and technological development of the combines due to the long-term contracted research.

With its fundamental resolutions, the 11th SED Congress initiated a qualitatively new stage in the further formation of the developed socialist society in the GDR. Our party program is steadily being implemented thereby. The 11th SED Congress brings out clearly that we are holding on to, and are further extending, our theoretical concept. It ranges from the shaping of

the developed socialist society through the main task in its unity of economic and social policies as an objective all the way to attaining these goals as charted by the economic strategy: this main course is the implementation of comprehensive intensification, mainly by coping with the scientific-technical revolution the socialist way with a command over the key technologies.

A clear orientation toward the further development of the productive forces, mainly through a wide and deep application of the key technologies, is an element of the SED's theoretical concept of the developed socialist society, for which the 11th party congress resolutions initiated a new phase. It lies mainly in that we, with the socialist planned economy, and altogether with the development of the socialist production relations, live up to and encourage the new conditions for productive forces development.

"We shall have to keep fashioning the socialist production relations so they will encourage the dynamic development of the productive forces on behalf of consolidating socialism." (Footnote 1) (E. Honecker, "SED Central Committee Report to the 11th SED Congress," Dietz publishing house, Berlin, 1986, p 27)

For that reason the concept proceeds from the further development of the production relations, marked by the socialization of production and labor and reflected in the combines of industry, the building trade, transportation and communications, and in the agricultural cooperatives.

It encompasses the consolidation of the socialist planned economy through further perfecting management, planning, and effective accounting and leads up to a qualitatively higher level of functioning in the subjective factor, particularly of the intellectual potential, and mainly by mobilizing the working people's creativeness in socialist competition and performance comparisons and through the further spread of socialist democracy.

The truly revolutionary processes taking place through the deep and wide use of key technologies in the economy and which are making fundamentally new demands on the management and the organization of the reproduction process in the combines also amount to a great challenge to all working people's creative initiative. On their commitment, knowledge, and abilities depends how top achievements are obtained in science and technology and how such results become effective with a high economic benefit for society as a whole and for each individual. That places the coping with these tasks in the working people's very own interests. Man is and remains the chief productive force.

The 11th SED Congress resolutions serve clear notice for successfully coping with the tasks up to 1990 and beyond to the turn of the millenium. The GDR will continue to develop as a politically stable and economically efficient and dynamic state, one in which there is social security, with the material and cultural standard of living rising steadily. "Our chief battleground is the unity of economic and social policy. We are all for carrying on this course." (Footnote 2) (Ibid., p 26)

The economic strategy, looking to the year 2000, applies the experiences that practice has confirmed through impressive results long-range to the GDR's socialist economy. The economic strategy "encompasses in a condensed form



all fundamental tasks to be solved in the unity of economic and social policies, enabling the GDR to tackle successfully the aims stipulated till 1990 and preparing it well for the solution of the further tasks up to the turn of the millenium." (Footnote 3) (G. Mittag, "Report on the 'Commission Drafting the Directive of the 11th SED Congress for the 5-Year Plan for the GDR's Economic Development, 1986-1990," Dietz publishing house, Berlin, 1986, p 7)

In 10 key points Erich Honecker presented the essence of the economic strategy and their fundamental content, their new quality. The tasks derived from them are spelled out in Willi Stoph's speech and in the 5-year plan directive for the development of all economic sectors." (Footnote 4) (W. Stoph, "On the 11th SED Congress Directive for the 5-Year Plan for the GDR's Economic Development, 1986-1990," Dietz publishing house, Berlin, 1986; and "11th SED Congress Directive for the 5-Year Plan for the GDR's Economic Development, 1986-1990," Dietz publishing house, Berlin, 1986)

This clear guideline is of the greatest importance for purposeful and initiative-rich actions in all collectives. A high rate of economic growth, rising labor productivity, high economic results from science and technology, and a high quality of production will mark the image of our country as much as full employment, greater public well-being, high education for all, a more flourishing science and culture, and secure future prospects.

The new quality of the economic strategy is most clearly characterized by the wide and deep use of the key technologies. That embraces mainly: microelectronics, modern computer technology, computer-aided design, project planning, and production control, flexibly automated production systems, new processing procedures and working materials, biotechnology, nuclear energy, and laser technology.

Key technologies are those that emphatically affect the economy and society as a whole, promote economic structural change, and greatly increase the labor productivity. The representative character and the strong impact they have on the economy as a whole are essential features of the key technologies. A point must be made of the impulse effect of these technologies, which induces further developments in science and production, the integration effect, which leads to an increasing degree of intertwining between science disciplines, production branches, and users' requirements, and the quality effect both on the technologies and the commodities fabricated through them. All that flows into the productivity effect, the impact these key technologies have on the dynamics in productive forces development.

Together with metallurgical refining and that in the chemical industry and in agriculture, and with energy rationalization, these are processes and facts attesting to the qualitative changes in our economy.

In this field the decisions are made on the growth in labor productivity. On it depends how the people's growing needs can better be satisfied all the time, our country's accumulation requirements can be assured, and our country can keep its place in the world. The position of the working people changes in the labor process along with it; they can assume novel and creative tasks.

The vehicle of the growth of efficiency are primarily the combines. In this context, a decisive factor is to establish a well functioning system of the socialist planned economy.

The initiatives for preparing and analyzing the 11th SED Congress--particularly through everyday plan fulfilment in socialist competition--document that this policy is supported by all the people.

#### On the New Quality of the Economic Strategy

The 11th SED Congress brought out as the fundamental task of the economic strategy the accelerating of the developmental rate of labor productivity, pointing to comprehensive intensification as the main road to it. Trimming the expenditure of live labor must be combined with the saving in embodied labor, particularly with trimming energy and material expenditures. This sets new criteria in the struggle for scientific-technical top achievements at an ever enlarging range.

The combines with their enterprises share a high economic responsibility for it. They are learning to cope more and more with this social obligation, as proven by many initiatives toward the fulfilment and targeted overfulfilment of the national economic plan. (Footnote 5) (Cf. "Report from the State Central Administration for Statistics on the Implementation of the 1986 National Economic Plan, First Half Year," NEUES DEUTSCHLAND, 19/20 July 1986, pp 3 ff)

At the 11th SED Congress and Erich Honecker's speech at the second SED Central Committee session for constituting the state organs (Footnote 6) (Cf. Second SED Central Committee Session, E. Honecker, "Our Domestic and Foreign Policy Serves Socialism and Peace," Dietz publishing house, Berlin, 1986) made it perfectly clear: The implementation of the economic strategy with an eye to the year 2000, ensuring a high rate of economic growth the intensive way this year and up to 1990, in each quarter and each month, and in the whole decade, ultimately depends on how key technology is mastered and technical top achievements are realized. That also is the nucleus of the new quality in the economic strategy.

The following key points determine the nature and substance of the SED's economic strategy with a view to the year 2000:

First: The SED's economic strategy, looking forward to the year 2000, is aimed at combining still more effectively the advantages of socialism with the achievements of the scientific-technical revolution, which themselves have entered a new stage. Microelectronics, modern computer technology and computer-aided design, project planning, and production control more and more determine the efficiency capacity of an economy.

Closely interacting with it other key technologies are spreading, like flexible automatic production systems, new processing procedures and semi-fabricates, biotechnology, nuclear energy, and laser technology. These are enormous challenges and they also offer the chances to retool production fast, improve its qualities, and trim costs to an extent impossible before. Thereby

new prerequisites also are ripening for changing the position of the working people within the production process, assigning them interesting creative task, and making their working conditions more and more favorable, as it suits socialist enterprises.

International productive forces development is speeding up; we cannot pick the rate we would want. It means winning the contest against time, obtaining leads at important spots, and achieving high economic and social results thereby. Within a few years we must reach the most advanced level in decisive sectors in the GDR.

Effects we are seeing of a new level in the organic combination between science and production. The combines are in the center of it. Together with the institutions of the Academy of Sciences of the GDR and university affairs they are organizing the effort toward top positions. Pioneering resolutions are being taken on it.

All these processes are more and more deeply affected by our country's growing intellectual potential, which has its main source in the highly developed uniform socialist educational system.

Second: The substance of the economic strategy lies in speeding up the growth of labor productivity. In that, above all, our command over the key technology must show. More and more combines are producing annual labor productivity growth rates of 10 percent and more. They thereby are establishing the valid criteria for the years to come. All factors in boosting labor productivity have to be used effectively. When the cost in live and embodied labor goes down and the quality of the products improves, the best economic results are obtained. It is shown by the growth of the net product and of the national income.

Increasing the increase in labor productivity requires acting still more consistently in conformity with the time economy law. Top time economy is a demand placed on all combines and enterprises and all economic sectors in the GDR.

Third: Our economic strategy aims at ensuring production growth while reducing the specific expenditures for raw materials, semifabricates, and energy sources. The proportion of production consumption to the total product has to be brought down further to speed up the national income growth. Carrying on this process calls for more and stronger technological solutions. Modern production procedures, in particular, have to provide for the advances in the materials and energy economy.

On the other hand, we have to organize the use of energy, raw materials, and semifabricates in the economic cycle as economically as possible. Waste and by-products must flow back into it. This principle has to be expanded to additional types of secondary raw materials.

Domestic raw materials are becoming increasingly important. Lignite, domestic ores and, especially, silicate raw materials are gaining more yet in value for the GDR.

Using raw materials economically principally means refining them greatly. From each kilogram of material a higher yield must be attained. Skilled labor and scientific-technical peak achievements together lead to it. Economic growth in the GDR is increasingly going to be determined by production refinement.

Fourth: The SED's economic strategy implies attaining quality production in the economy throughout that conforms to high international standards. What determines quality today are the scientific-technical level of products, their use value, their functionality, and their design. Of equal importance are the most up-to-date production procedures which will decide on whether or not the domestic and foreign need for quality products can be met rationally and by having enough of a supply. That then implies that the use of key technologies like microelectronics, CAD/CAM, industrial robots makes possible, in principle, a higher quality level. In turn, precisely the key technologies themselves demand a faultless quality of human labor. Good experiences in ensuring qualities were gained in some combines through the "zero-fault-production" movement. First they created ideological clarity about the objective among the work force. It is important that organizational prerequisites are in place or are set up. Initiatives come from the best workers, the personal responsibility of the state managers was raised and material incentives were strengthened. Expenses for rejects, make-up work and warranties have plunged significantly in recent years. The expenses for rejects, make-up work, and warranties keep dropping.

Quality recognizes no standstill. Its increase connects with a high production upgrading rate which must come to about 30 percent annually. When one does not keep seeking peak performances, one gets beaten in the international contest.

Fifth: The party's economic strategy grants a high place value to socialist rationalization. It proceeds at a broad range and is characterized more and more by most up-to-date technical means. Thus it is a main way to boost labor productivity. It offers workers, scientists, and technicians a broad field for creative activity and improves the working conditions. It is essential rapidly to reach the highest socialist rationalization level that is possible through applying modern key technologies. Introducing CAD/CAM technology and flexibly automated production sectors, with industrial robots organically built in, are examples of it.

Through CAD/CAM the work of hundreds of thousands of people in this sector will become more productive by multiples. That opens a potential for the GDR's economic capacity that has far-reaching effects. The general application of this technology places the intensive expanded reproduction in the combines and enterprises onto a new and more efficient foundation.

It has been found useful to develop the means of rationalization in close contact with the users' technological process rather than to pursue that task all by itself. Quantitatively as well as qualitatively in-house rationalization means production being strengthened. Microelectronics is used throughout, through which means of rationalization become an element of the most up-to-date automation technology. In-house rationalization means

production then becomes an essential material-technical base for the broad application of modern key technologies. Its investment share keeps growing. It becomes the starting point for intensive expanded reproduction in the combines that invest their own potential in it there. Socialist rationalization has captured all sectors, even the non-producing ones.

Sixth: Our economic strategy aims at high labor efficiency. Cut-back in working hours has to go hand in hand with trimming production consumption in all components. The capital assets, constituting the people's valuable resources, have grown steadily. An optimum use of them therefore is of the greatest importance for efficiency. The proportion of shift labor is going to increase. It will also more and more be used, in accordance with the prevailing conditions, in agricultural producers cooperatives and many science institutions.

New scientific data must be utilized more rapidly, and better use is to be made of expensive research tools. That calls for higher demands also in R&D and, above all, in project planning. Precisely to recruit working people for shift labor, we must make much more yet of the Schwedt Initiative.

Seventh: Our economic strategy makes much higher demands on investment activity. The essential part of investments serves to modernize the capital assets. Extant buildings are being used. Only in connection with that will high-tech projects lead to the needed reinforcement of the material-technical base. The proportion of rationalization investments will increase further. This way has to be used more consistently than before for manufacturing the most up-to-date products at high volumes and according to the latest methods.

The investment projects decided on in the plan to reinforce the GDR's material-technical base have to be carried out exactly. We must start operating each project proper as to schedules and qualities.

Eighth: The SED's economic strategy encompasses more of a development yet for consumer goods production. It must be up to demands and supply high grades and sufficient volumes. That will become more yet a matter for the entire economy. Consumer goods production is an important task for all combines. In each of them efficient capacities for it have to be set up or expanded. From the big combines to the crafts enterprises, from the opportunities of modern technologies to the experiences and traditions of our master workers, our country commands a rich and multiform potential in this field. Imaginative designers, well versed fashion designers and, above all, skilled workers of either sex are busy in our factories. We have all it takes to manufacture more new, beautiful and efficient products for our population and for export.

Ninth: Our economic strategy is aimed at consistent and dynamic performance growth. Our sociopolitical aims, the improvement of men's material and cultural standard of living, call for strong and steady economic growth. This growth is more and more affected by the interrelations between the economy and the different social sectors, with regard to which one must refer first and foremost to the reciprocal penetration between science and production.

The socialist educational system and its further development greatly affect the economy. In turn, precisely from the progress of the modern productive forces requirements for education and continuing education are derived. That further improves the conditions for a creative climate.

Tenth: The SED's economic strategy with a view to the year 2000 is meant to constantly deepen the intensive expanded reproduction and place it on permanent foundations. The need for it is derived from the objective developmental laws of socialism. Simultaneously, the GDR's socialist planned economy facilitates placing modern technology, above all the key technologies, at the service of that task. Our people, the master of its enterprises and research institutions, makes the fountains of science flow ever more effectively on behalf of the country's economic capacity, social wealth, and social progress. Every 5 years it is being demonstrated impressively that none but socialism can use the enormous productive forces of our century for the benefit of men.

#### Principles for Enforcing the Economic Strategy

Three essential principles exist in the GDR for enforcing the economic strategy. For one thing there is the highly functional management, planning and effective accounting system based on democratic centralism and, directly linked with it, the forming and consolidation of the combines as the backbone of the socialist planned economy, as well as the further deepening of socialist economic integration.

#### A highly functional management, planning and effective accounting system

The management, planning and effective accounting system, aimed at comprehensive intensification as the resources-saving type of reproduction, has proven flexible, efficient, and dynamic. Through it we not only made quantitative advances but also, and mainly, increased output, proper as to demands, at improving qualities and reduced expenditures. This economic policy is being supported by:

- the central planning and balancing,
- the performance rating according to the four chief parameters, especially net production,
- the effective accounting with prices, costs, finance and credit relations,
- a performance-oriented wage policy, and
- the contract system.

With it, we let ourselves be guided, irrevocably, by the principle of democratic centralism, to the effect that the fundamental economic interests firmly remain in the hand of the state. The point is to link central state management and planning more and more effectively with the creative activity of the working people and with the in-house responsibility of the combines, enterprises, co-operatives, and local state organs.

As the main tool the socialist state has for proportionate development according to plan and for ensuring dynamic economic growth supported by high efficiency, basic measures were introduced for the further reinforcement of central state planning.

Due to its key role in perfecting socialist planning, important resolutions were taken on providing more expertise for material balancing. They are aimed more on ensuring proportionate economic development according to plan through ever better commanding its qualitative and quantitative interlinks, the tapping of new performance reserves, and the economically most effective use of the available material and financial resources.

Through perfecting the management and planning activity of the combines' general directors, the advantages of a streamlined central management of the potentials combined in the economic cycle of the intensive expanded reproduction have been more effectively combined with the economic in-house responsibility of the combine enterprises on the basis of the plan. Through the performance rating for the combines and enterprises on the basis of the chief parameters of net production, profit, goods and services for the population and export, the economic interest of the economic units were more closely linked with the economic requirements.

Through further consolidating the unity between material and financial planning it could be brought about that the available funds were used economically and with high effectiveness.

The forming and consolidation of the combines

In the GDR, under the conditions of comprehensive intensification, the combines with their enterprises form the backbone of the socialist planned economy. In them has been combined what from the standpoint of the reproduction process belongs together--from R&D, project planning and technology, production and sales and export of products, to in-house rationalization means production, the capacities for standards-controlling ancillary supplies and for the production of high-grade technical consumer goods in combines engaged primarily in making the means of production. That has been and is an essential condition for accelerating and economically converting the scientific-technical progress. In the development and work of the combines essential steps are embodied toward further perfecting the socialist production relations as they are now necessary in order to provide more elbow room for the dynamics of the productive forces on behalf of strengthening socialism. Through the combines we have in the GDR "implemented the economic strategy as aimed at intensification and continue to do so." (Footnote 7) (G. Mittag, "Only Socialism Guarantees Prosperity and Peace for the People," NEUES DEUTSCHLAND, 1 July 1986, p 3)

As became clear in the Central Committee report, the 5-Year Plan Directive, and all throughout the 11th party congress, the SED is resolutely oriented to the development and application of the key technologies, so as to accelerate the boosting of labor productivity. Increased labor productivity--expressed in net production which greatly includes the saving of energy and material while economic results are improving--is the most important economic criterion for the benefit from the key technologies.

For example, through the computer-aided production preparation and production control (CAD/CAM), as a decisive key technology, we are pursuing the following goals:



- Vastly increasing the productive force of live labor,
- shortening the production cycle,
- trimming material and energy costs, and
- producing a higher new value per working hour and unit of raw material and energy.

The combines have all it takes in material, finances, and personnel to make the economic cycle increasingly effective and improve the cost/benefit ratio. That is their great difference from the former association of state enterprises, which had neither a research base nor direct access to other funds.

A positive effect is that the centrally managed combines are directly responsible to the ministers. The general director has one direct boss, the minister. Thus the general directors of the combines can better take care of their economic responsibility, proceeding from the social tasks written into the plan.

The combines and their enterprises already have a pronounced economic responsibility of their own. They are coming up with many initiatives of their own to assign, and surpass, economically necessary performance goals. That too holds true not only quantitatively but, mainly, also for decisive qualitative results such as the manufacture of new commodities, the development and use of novel technologies in line with top international standards, the trimming of production consumption and costs, and the boosting of labor productivity. From the efficiency and expertise of the combines inferences are drawn for the activity of the ministers and the heads of other central organs. We must more consistently still adapt ourselves to the grown economic responsibility of the combines, set down clear economic criteria, and always study and generalize from new results and experiences.

The combines have to become the broadest basis for an economically effective development and application of the key technologies. Given their scientific-technical capacity in design, project planning and technology, their rationalization means production, and their flexible production organization, they must increasingly come out with top achievements of international rank. They also are responsible for an optimum refining of raw materials and primary materials. And then, through their own rationalization means production, they must provide the main portion of the capital assets modernization and of the measures that introduce novel commodities.

Further deepening of socialist economic integration

The further deepening of socialist economic integration, and especially our fraternal cooperation with the USSR, are marked more and more by the intensification requirements. Therefore being oriented to world top achievements, as jointly decided by the CEMA countries' comprehensive scientific and technical progress program, has become a decisive political-strategic matter. One important way is the development of direct relations between science institutions, enterprises and associations that are taking place on an economic foundation. It involves the solving of such tasks as:

- Not only reaching the international top level in selected fields faster than planned, but keeping a step ahead of it,



- a high annual performance growth,
- rapid production upgrading,
- commanding growing assortments, and
- flexible reaction to technical innovations. (Footnote 8) (Cf. Second SED Central Committee Session . . .," op. cit, pp 15 f.)

#### On the New Level in the Economic Interlinkage of Science with Production

Since the economic strategy pays special attention to those economic sectors which control the rate, a consequence of principle follows from it: More than up to now must science be linked with production and production, with science.

The basic insight by Marx, that the production process increasingly transforms itself into a scientific process, and that the producing of real wealth, among other things, depends on advances in technology and its application to production, is more pertinent today than ever. Which means:

- The requirement for organically linking science with production grows objectively out of the developmental tendencies of scientific-technical progress and out of the effects exercised by the key technologies.
- The GDR combines are known to be the backbone of the socialist planned economy. Longtime experiences show they are the most effective form of linking science with production. The linking of science and technology with all factors of intensive expanded reproduction within the combines' cycles has proven the decisive chain link for high economic results.

Significant innovations with basic research projecting into the far distant future are setting new criteria for linking science with production. And this is not just a matter of making ex post facto contractual arrangements for what has already been handled cooperatively between combines and science institutions. What we are concerned with is economically to entwine, at new dimensions, the important science and research potentials of the combines with the institutions of the Academies, the universities, the colleges and technical schools. The economic effect is what is decisive here.

That achieves a broader and more purposeful use of the latest basic research data and perceptibly elevates combine efficiency. Scientific results that determine world standards become more rapidly production-effective. And the combines can react more flexibly to economic and export requirements.

What is new in the organic link between science and production is that basic research will be made into an integral component of research and development in the combines. A considerable part of basic research in the GDR is immediately oriented toward the economic, technical and technological development of the combines due to long-term contract research. Roughly half of the research potential of the Academy of Sciences and the universities is contractually committed to the combines.

Generalizations can be drawn from the early experiences in coping with this complicated task:

--It is important for the combines to be able to take up strategic problems in their field and become the partners of the science institutions. That calls for setting up and expanding branch-specific basic research, especially in the research-intensive combines. The combines, hence, have to provide leads for themselves. By facing that task, VEB Carl Zeiss Jena and the Polygraph Combine, e.g., achieved an effective research cooperation.

--Most combines aim their scientific-technical efforts at developing and applying key technologies. Through research cooperation they wish to achieve faster, and more broadly, the novel yardsticks for scientific-technical top achievements. Only through great concerted efforts, e.g., combines in machine tool construction managed to reach the international top standards.

--Basic research in the institutions of the Academies and in the universities and technical schools achieved greater economic effects because the science institutions have fully adapted themselves to coming out more rapidly, within the framework of research cooperation, with economically usable peak achievements. The "authority" of research by such institutions as the Ilmenau Technical College, the Karl-Marx-Stadt Technical College, or the Biotechnology Institute of the Academy of Sciences of the GDR has been greatly boosted due to the research cooperation contracts with the combines. And not only economic effects surface in the combines because of the research cooperation, as far-reaching positive effects result also for the science institutions.

--Results were achieved especially where longtime research has been done through socialist cooperative efforts and genuine partnership relations exist. The research cooperation between ship building and the science institutions in the research association, and between the EAW Friedrich Ebert Combine in Berlin-Treptow, with departments in the GDR Academy of Sciences, confirm that conspicuously.

--Territorial proximity between combines and science institutions also has proved an advantage for the use of research cooperation. One can see that, for instance, in Berlin--for microelectronics enterprises and institutions of the GDR Academy of Sciences and of Humboldt University--, in Karl-Marx-Stadt--for the Textima Combine and the Karl-Marx-Stadt Technical College--, and in Halle--for the Bitterfeld Chemical Combine and the Martin Luther University.

--Considering that the development and production of scientific-technical top products also require higher research expenditures, contractual research cooperation patently compels us to seek a high economic utilization rate. Economic computation at signing and implementing research cooperation service contracts has been increased, for instance, at the Leipzig-Grimma Chemical Plant Construction Combine and its science partners.

In September 1985, the Council of Ministers issued principles for organizing economic relations through coordination and service contracts between industrial combines and institutions of the GDR Academy of Sciences and the universities. (Footnote 9) (Cf. GBL [legal gazette] Part I No 2, 1986.)

What are the concrete procedures that have proven themselves in contract research cooperation?

--The general director of a combine, with the R&D director in attendance, confers regularly with the competent heads of the chief cooperation partners on the upcoming basic research tasks.

--The target and requirement for the basic research results required are prepared through close mutual contact.

--The economically justified measures of the refinement conception are put into motion through annual commissioned research--via the tasking workbooks and the annual science and technology plan.

--Clear arrangements are made on how the tasks are to be dealt with, through a division of labor, as between the contract partner and the combine's own personnel.

--A personnel exchange takes place between the combine and the contract partner's institutions.

--The combine allocates material and financial means to strengthen the contract partner's research base and set up laboratories or technical training at the university or college involved.

--Basic research is financed by the combine.

Many combines and science institutions are gathering further experiences right now. To draw general rules from them is our task as economists. That is imperative so as to fulfil the demand raised by the 11th SED Congress, to ensure, together with the USSR and the other CEMA countries, creative scientific-technical achievements of international rank and a broad use of them.

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## SOVIET-HUNGARIAN ROUNDTABLE ON ECONOMIC RENEWAL

Budapest NEPSZABADSAG in Hungarian 25 Oct 86 p 7

[Discussion by certain members of the new Hungarian-Soviet Joint Economic Committee]

[Text] As a result of this week's meeting of Hungarian and Soviet economists in Hungary, a Joint Economic Committee of the two nations has been created. We have invited several of the participating economists as guests of the NEPSZABADSAG Roundtable. Those invited were: Academician A. G. Aganbegdzhan, Director of the Research Institute on the Regional Placement of Productive Forces (Soviet Academy of Sciences); Academician A. A. Anchishkin, Director of the [Soviet] Research Institute for Technological Development and Economic Forecasting; O. R. Latsis, Division Director of the Research Institute on Global Systems of Socialism (Soviet Academy of Sciences); Janos Deak, Director of the [Hungarian] Prosperity and Market Research Institute; Rezso Nyers, counsellor to the Economic Institute of the Hungarian Academy of Sciences; and Emil Nyul, Chairman of the Political Academy of the Hungarian Socialist Workers Party [MSZMP]. Chief contributing editor Zsuzsa Gal and reporter Istvan Zalai represented NEPSZABADSAG.

NEPSZABADSAG: Both the Soviet Union and Hungary view conditions of intensive economic development as the means to revitalize the people's economy. Although the [economic] conditions in the two countries differ, the on-going reform is similar in many respects. In your judgment, what are the key issues of economic renewal?

Latsis: In the Soviet Union, and so far as I know, also in Hungary, one of the most important reform issues is this: what kind of relationship should exist between central management and the enterprises. We must get rid of certain biases in order to be successful in renewing the economy, at least so far as our experience is concerned. A Soviet bias of this sort pertains to overly centralized management. Management must be decentralized, the autonomy of enterprises must be increased--this in itself may bring results. At the same time, however, the analysis of applied economics suggests that some needed centralization is missing. To explain this: what we call centralization

is really not centralization--it is often only bureaucratic practice. They are centrally decreeing matters regarding what should be produced where.

#### Unnecessary Intervention

Nyers: I would add to--perhaps I would argue with--Comrade Lacisz' statement. Over-centralization in our society is a real fact of life. This, in part, results in central bureaucratic intervention due to excessive central control over details. We might say on the other hand that with respect to important issues where the expression of the central point of view would be desirable, such expression is inadequate. For example, in Hungary it should be a central interest to improve the convertible trade balance, nevertheless for the second year in a row, we have not achieved satisfactory results. The interest is central in character, and the applicable system of mechanisms is supposed to satisfy that interest. Yet, we were unable to achieve our goal. Therefore we may state that in this respect our economic practice is unsatisfactory, and that our economic mechanisms, viewed in a broad sense, do not adequately serve the accomplishment of this goal.

We are needlessly involving ourselves in too many issues. Irrespective of whether this involvement is necessary, or if we are obligated to get involved, the effect of our involvement is negative. An example for this is excessive economic regulatory intervention or the involvement of a ministry in matters under the jurisdiction of the enterprises. Allow me to elucidate on what the central interest is. Let us use a different context. Up to what point can the central interest be divided into specialties? Based on experience I can state that it is not divisible, at least not without adverse consequences. This is the issue upon which the earlier system of plan indexes has fallen through, and this is why today's practice of forced import restrictions is problematic.

Latsis: It is often said abroad as well as in the Soviet Union that we need decentralization because we have a high degree of centralization in production and in the economy, and thus centralization of resources in cooperatives and in enterprises is also high. In my opinion we are not suffering from excessive centralization, but rather from the ineffectiveness of centralization. In other words, we are suffering from the administrative character of centralization, while concentration of production and of capital should be supported by economic means. The latter is insufficient in the Soviet Union also. There are too many productive joint ventures that are too small [because they are] fragmented according to the jurisdictional structure of various specialized ministries. Thus we are unable to optimize the scope of these ventures, while to an extent, real processes would suggest a need for concentration.

Hungary too has created large-scale joint ventures during the past few years, as shown by the example of Skala Cooperative. Various forms of contractual agreements, new methods of capital re-grouping, banking reform -- all these are signs of capital concentration rather than decentralization. At this point of course, we cannot tell just what the reforms instituted by our Hungarian friends will produce. But let me add: all this demonstrates a recognition of real economic processes. Aside from these reforms, there may

be, and there are, both in Hungary and in the Soviet Union, some ineffective large enterprises. Undoubtedly, the fundamental processes--such as scientific and technological progress that is of mutual significance--require increased concentrations of capital.

NEPSZABADSAG: It would seem that in both nations, the concepts of centralization and decentralization are being applied in multiple contexts, with respect to a variety of phenomena. In both theoretical and in applied economics the related concepts of centralization and decentralization are being used to characterize two processes. First, it is with respect to centralized management, that is, with respect to the flow of the decisional process that these terms are being used. Second, they are being used to characterize the structure of enterprises, specifically with respect to the extent of concentration of various means within large enterprises. Could we somehow clarify these terms, or provide more accurate definitions?

Nyers: I agree that several concepts must be clarified and more clearly defined. We must define what, why and how of our social goals. Nevertheless, in my view the basic problem is that the effectiveness of our economic units is not sufficiently responsive to present day expectations. It then follows that the management system we had so far is not good. I accept the notion that the issue is not limited to the simple decentralization of what had been centralized before. Instead, we must formulate a modern division of labor between the governmental sphere and the function of enterprises.

#### Mobilizing the Reserves

Aganbegdzhan: Indeed, Comrade Nyers' question, what do we want, after all, must be our starting point because anything substantive we have to say must respond to that. Comrade Nyers has stated that Hungary's primary aim is to reduce its debt. This, in turn requires the resolution of a complexity of real problems. And what do we want in the Soviet Union? What goals have been established for the new period of economic development? First of all we want to establish a situation in which production is subordinate to social needs. This is the condition upon which a number of objectives rest, such as the elimination of shortages, an end to producers prescribing the needs of consumers, a choice for consumers from among producers, and fundamentally, the fact that producers should be responsive to the needs of society. I view this as the primary task. In an economy of shortages we manufacture a lot of things for which there is no demand, alternatively, we manufacture things that we need, but the products we manufacture are inferior. A truly appropriate economic mechanism would bring an end to shortages and would subordinate production to consumption.

NEPSZABADSAG: What means do you use to accomplish this goal of unquestionably high significance?

Aganbegdzhan: We would like to to achieve a sudden increase in effectiveness by mobilizing our organizational, economic and social reserves, and by accelerating scientific and technological development. Our task of providing a social character to the [economic] mechanism is being emphasized. In other words, the mechanism must provide sufficient opportunity for initiative, for

the development of freedom and democracy, so that the individual, as a social being, should be able to find fulfillment within the new economic mechanism. The individual should not feel like an insignificant part of the larger economy, but instead should feel like a living, organic, valuable part of the economy. Created under different circumstances, for different purposes, our present economic mechanism, presumably appropriate in its own times, is an obvious contradiction of the tasks I have outlined. One could say: the present economic mechanism is contrary to the new tasks. It is for this reason that fixing and repairing the present mechanism is out of question, although, on occasion, we are still using this kind of terminology. In my judgment, the old mechanisms must be replaced by a new one, one that is suitable for the accomplishment of the tasks, one that is responsive to contemporary demands. This is why I am--we are talking about a radical management reform. This is why we are referring to this as a revolutionary reform.

Nyers: In one of his articles, as well as in his present statement Comrade Aganbegjan has taken the position that evolutionary economic processes must be disrupted. Would you apply this concept with respect to management also? In other words, does radical reform mean a disruption of the present trend of development? I would feel very comfortable with a brave statement like that.

Aganbegdzhan: The terms I used are not my terms. As the magnificent inventor, Curie said "I would be a genius if I had just one original idea all my life." I have not had any truly original ideas either. What I am saying is this: consistent with today's circumstances, responsive to the totally new conditions, we must increase the autonomy and the responsibility of enterprises. There is a saying nowadays in the Soviet Union, according to which we must strengthen both sides of democratic centralism. In other words, we must strengthen centralism as well as develop democracy. I am not quite in favor of this formula. Comrade Gorbachev does not talk about the strengthening of centralism either. He is talking about improving the effectiveness of central management. This is where there is a difference, I believe. I must say, however, that management in the Soviet Union is not composed of two tiers--an upper tier and a lower tier. There is even a center tier. In my judgment many of our management problems have their origin in the excessive growth of this center echelon, composed of ministries and related organizations. This is why there could be a simultaneous adjustment of the upper tier and a strengthening of the lower tier, to the detriment of the center tier.

NEPSZABADSAG: Should we interpret this to say that you deem the simplification of the overly complicated management system as necessary?

Aganbegdzhan: Yes, but this is a different question altogether. In any event it is obvious that an extension of the autonomy of enterprises requires new forms of management. It demands a discontinuation of the administrative methods and the related restrictions that have been used decisively in the past. In other words, I feel that as the bottom line we must continue to observe the Leninist principle of democratic centralism, but with respect to central management, we need economic rather than administrative tools. It then follows that we must increase the role of market forces, we must activate



the relationship between commodities and finances, and we must strengthen the role of profits as a summary [economic] indicator.

Which Aspect [of state centralization] Is Dangerous?

NEPSZABADSAG: Should this [scenario] accompany increased centralization by the state, or would it be more advantageous to leave most of the [financial] resources at the enterprise level?

Nyul: The net national income may be centralized by the state for three purposes. The first purpose is obvious: a certain part of the national income must satisfy the needs of the non-productive sector. Under socialist conditions, however, two larger parts of the total net income are also being centralized by the state. The second aspect of centralization fulfills long-term goals of industrial policy--amounts that are being re-distributed to the productive sector. The third aspect is centralization for purposes of equalizing the difference between earmarked expenses and income. This type of centralization [and redistribution] of income is dangerous. It is dangerous because by virtue of this type of centralized redistribution the state assigns an equal weight to all functional elements of the economy, irrespective of their effectiveness.

Nyers: Already the second aspect is dangerous, in my judgment. Frequently the state wants to accomplish the second purpose while in reality it supports the third purpose.

Nyul: Yes, the two purposes do get mixed up. But let me mention here that we do provide a greater latitude to enterprises with respect to important matters like pricing. Alternatively, we do not direct enterprises as to what they should produce and where they should market their products. This is very important from the viewpoint of centralization and decentralization.

NEPSZABADSAG: Economic renewal is on the agenda of each and every socialist nation, one way or the other. What effect does this have on international cooperation that has been envisioned within CEMA?

Deak: It is of unquestionable importance that we renew our relations within CEMA. Our international relations will enter into a new phase once socialist enterprises have authority to independently decide their procurement needs and sources. International division of labor is of particular importance to us, because of the dimensions of the structure and scope of production. We cannot be satisfied, however, with respect to the competitiveness of our products within CEMA or in the broader world markets. In order for us to better adapt to market demands we must strengthen the work of enterprises. This, of course, may include some central tasks also, but frankly, so far we have not found the real solution. Somehow the [change] should come about in a manner that the state advises producers and shows directions for future development, but at the same time does not assume responsibility for making the decisions for producers and for the enterprises.



### A Variety of Interests

Anchishkin: May I revert for a moment to the previous subject. I would like to remind you of something. Three years ago, in an article that appeared in THE COMMUNIST, Comrade Andropov described a situation according to which our perception of the society we live in is incorrect. We believe that this statement is true. Considering the present discussion it would appear that on a societal scale we incorrectly perceive the hierarchy of interests relevant to production, while such knowledge would have a bearing on the manner in which centralization or decentralization takes place. As a matter of explanation: there are the interests of the people's economy, there are enterprise interests, and there exist peculiar, regional economic development interests. The latter is very important in our case--it pertains to counties, to constituent republics. And then there are vocal expressions of interests by certain groups of society, such as youth, women, or individuals working within a given occupational field. There exist the international interests of the socialist community, and then there are global problems that affect everyone. Environmental protection is one example. It is an absolute necessity that we know, understand and channel these interests. To disregard these interests, or to deal with them from the centralist viewpoint can only cause trouble. The other extreme is equally wrong: societal problems, the problems of the people's economy must not be approached as problems of a given group.

This issue is of concern to the total scope of economic sciences, and therefore the analysis of social processes, the understanding of social trends is indispensable. It could happen that we apply varying time limitations to identical problems, but today's economic sciences must resolve these practical issues. They must study social processes, they must familiarize themselves with real interests.

Aganbegdzhan: I would like to supplement this debate by propounding two theses concerning centralism and autonomy. First, centralism and autonomy must also be viewed from the vantage point of the distribution of resources. I am referring to the proportionate share of resources being under the control of central management versus that of the enterprises. If we take this approach we will find that Hungary is a rather centralized state.

On occasion we create an illusion according to which we deem an economic mechanism to be good as long as we can impound say, 70 percent of all enterprise income, then bury it underground so as to avoid misuse of these funds. If this is the practice we follow, there is nothing left for economic management to re-distribute, there is nothing left for the renewal of production funds, there is nothing left for motivating individuals. This is why there is a close relationship between centralized economic tools on the one hand, and autonomy on the other, due to the close relationship of the latter with the utilization of resources.

The other thesis: a new view of the relationship of balance and dynamics. Although the two are interrelated, they also contradict each other. We would like to see an economic mechanism that does more than eliminate shortages and establish balance and the appropriate proportions. We want a mechanism that also significantly energizes our economy. We should state here that the

dynamics of our economy are far better than those of most developed capitalist nations. If we produce a mechanism that can utilize the advantages of this system, the dynamics of our development will increase even further.

#### The Utility of Reforms

NEPSZABADSAG: Taking a closer look, what should we do to make the functioning of our economies more successful?

Nyers: If we want to do things differently and better, we must think differently. We are happy to hear that in the Soviet Union too, preparations are going on in full force, moreover that there have been some changes already in this respect. The major question that remains unanswered is this: what should the state do? Society always has more, or many goals, and these goals will never be reconciled without conflict. This is why we have to search for an appropriate composition of goals. We may prefer certain goals, but in the meantime we must not totally neglect other social goals. In today's Hungary, for example, we must pay preferential attention to the external and internal balance situation, but at the same time we also must invigorate the economy and increase the rate of economic growth. Already between these two goals there is a tense contradiction. And however important these two goals may be, we also must cater to the general standard of living, as much as we can. Accordingly, we need a kind of centralism that builds upon the activities of individuals, of smaller communities, such as enterprises, cities and municipalities. A kind of centralism that enhances economic development, but at the same time supports the balance of the economy also. Accordingly, state centralism must not have growth as its sole objective, on the other hand it cannot have balance as its sole objective either. State centralism must stimulate production, but in doing so the consumer must be able to bear influence upon production. In other words, the state cannot take sides in the "debate" between the producer and the consumer.

The fact that fledgling reform movements in the Soviet Union will parallel similar reform endeavours in other socialist countries is of major significance. As a socialist nation we must use our relationships with other socialist nations for two purposes. First, we must see to it that our own economy becomes stronger by virtue of cooperation with CEMA. Second, through our cooperation we must contribute to every socialist nation's ability to improve its economic position and competitiveness in the global economy. We may strengthen our competitiveness only through increased participation in the global economy. And our reforms appear to be suitable to accomplish that.

NEPSZABADSAG: Could you summarize our conversation and state the conclusions that may be drawn.

Anchishkin: Let us revert to our starting point. Perfection of the economic mechanism in itself is not a goal. It is a tool by which economic development may be accelerated. By the year 2000 we want to achieve a 150 percent economic growth rate through the economic mechanism, and with the acceleration of scientific and technological growth. We endeavour developments that are not characterized solely by quantitative dynamics, but also by qualitative improvements. In other words, we intend to produce products and provide

services that are needed by the public, alternatively, ones that are competitive in the export markets. We have pinpointed a kind of dynamics which corresponds with the concept of qualitative growth. Everything we have said must, in the end serve the practical purpose of the main goal established by the 27th Congress of the Soviet Communist Party: an acceleration of socio-economic development based upon new qualitative foundations.

NEPSZABADSAG: Thank you for your participation and for the creative thoughts.

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## PERSONNEL CHANGES IN FOREIGN TRADE SECTOR

Warsaw RYNKI ZAGRANICZNE in Polish No 118, 2 Oct 86 p 8

[Text] Waldemar Kluza, born 10 July 1937 in Oblassy, was appointed on 15 August 1986 as the commercial attaché at the Trade Office of the Polish Embassy in Brasilia.

He graduated from Warsaw University and began his professional career in 1961. He has been with the Ministry of Foreign Trade since 1975. Recently he was the chief specialist at the Ministry of Foreign Trade.

Tomasz Wasilewski, born 14 December 1941 in Warsaw, was appointed on 17 August 1986 as the economic attaché at the Trade Office of the Polish Embassy in Brussels.

He graduated from Warsaw University and began his professional career in 1970. He has been employed at the Ministry of Foreign Trade since 1973. He recently held the post of senior trade adviser at the ministry.

Wlodzimierz Strzelczyk, born 10 February 1944 in Trojanowice, was appointed on 24 August 1986 as the commercial attaché at the Trade Office of the Polish Embassy in Damascus.

He has a technical degree and began his professional career in 1962. He has been with the Ministry of Foreign Trade since 1984. Recently, he was employed as a specialist with the ministry.

Jacek Stolarczyk, born 14 June 1950 in Zywiec, was appointed on 25 August 1986 as the chief director of the Foreign Trade Information Center in Warsaw.

He graduated from the SGPiS [Main School of Planning and Statistics] and began his professional career in 1974. He has been with the Ministry of Foreign Trade since 1980. Recently, he served as the director for planning matters at the Foreign Trade Information Center.

Jan Kafarski, born 4 February 1941 in Warsaw, was appointed on 25 August 1986 as deputy director of the Ministry of Foreign Trade Department of Economic Analyses.

He graduated from Warsaw University and began his professional career at the Ministry of Foreign Trade in 1969. Recently, he was the chief expert at the ministry.

Janusz Saracyn, born 4 November 1938 in Bydgoszcz, was appointed on 29 August 1986 as commercial attaché in the Trade Office of the Polish Embassy in Sofia.

He possesses a technical degree and began his professional career in 1956. He has been at the Ministry of Foreign trade since 1980. Recently, he worked as a ministry section chief.

Walerian Labus, born 14 December 1928 in Milowice, was appointed on 30 August 1986 as the commercial attaché at the Trade Office of the Polish Embassy in Moscow.

He graduated from the Wroclaw Higher School of Economics. During his professional career he occupied a supervisory position in local industry and in the party apparatus. He was the first secretary of the PZPR Provincial Committee in Gorzow Wielkopolski.

12229/5915  
CSO: 2600/95

## SOCIOECONOMIC COUNCIL REVIEWS DRAFT LABOR CODE, REFORM

Warsaw TRYBUNA LUDU in Polish 18 Sep 86 p 2

[Text] The members of the Sejm Socioeconomic Council discussed the draft labor code reform on 17 September. Mieczyslaw Rakowski, deputy-president of the Sejm and chairman of the council conducted the proceedings.

The amendments initiated result from the nonadherence to the regulations of the labor code in effect. The code was adapted to a centralized economic management model expressed, among other things, in restricting the role of the collective labor agreements with regard to the wage issue. In addition to this, there are matters concerning workers' social and living conditions, discipline and high labor standards, in other words factors without which reform cannot reach the work environment.

In the draft law there is particular emphasis upon the collective labor agreements, and the law stipulated by them governs the basic working conditions of the majority of the labor force since it encompasses 80 percent of those employed in the socialized sector.

The council examined and adopted an opinion on the subject of the "Report on the Progress and Results of Economic Reform Implemented in 1981-1985." As was indicated at the outset, this is not a detailed evaluation but rather represents general remarks which reflect the opinions of the public's representatives. The council believes that without economic reform it would be impossible to initiate and to continue the process of surmounting the economic and social crisis. At the present time, however, a quick transition to the second phase of reform is necessary, as noted by the 10th Party Congress, one which allows us to seek out more profound development resources.

The council was critical of numerous existing economic mechanisms including the government economic policy. For example, despite a real improvement it was determined that it was impossible to achieve overall economic equilibrium on which the functioning of the economic mechanisms depends in accordance with the premises. The reasons for this phenomenon are instilled with, among other things, a lack of suitable mechanisms for shaping a wage and price policy. In addition, the increase in remuneration is linked above all with the growing cost of living and position of a given branch. In reality, inflation mechanisms are being strengthened which in turn weakens the stimuli needed for improved management.

The RSG [Socioeconomic Council] realizes that the establishment of a suitable wage, price, and restructuring policy can in many cases result in tensions and conflicts. The council, however, declared itself completely in favor of the position taken by the PZPR Central Committee 10th Congress report that it is expedient to select a more consistent and demanding solution which necessitates greater public discipline rather than hasty actions.

The RSG believes that the continued economic reform process will be more difficult. At the same time, because of increased efficiency requirements, conflicts can arise with regard to the concerns of individual socio-professional groups. One of the basic problems remains the shaping of a new social awareness and the search for public support for the reform, and namely for supporters.

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## REFORM COMMISSION TASK FORCE REVIEWS INVESTMENT SYSTEM

Warsaw ZYCIE GOSPODARCZE in Polish No 42, 19 Oct 86 p 11

[Text] Last week there was a meeting of the 5th working group of the Commission for Economic Reform concerning investment matters and management of capital assets. The chief topic of current interest to the group concerns the evaluation of the functioning of the economic investment system. This system encompasses a broad range of instruments which were to have accomplished two basic goals. First, to discipline the investment demand so as to gradually reach a state of equilibrium between the amount of funds allocated toward development and the actual capabilities for accomplishment. The second goal which they set for themselves by constructing the economic financial system principles in this field, was the establishment of requisite conditions for making economic subjects independent of investment decisions, or placing upon them the responsibility for accumulating funds for development financing, as well as restorative modernization projects, and accepting responsibility for decision-making processes.

The investment situation toward the end of 1986 demonstrates that neither of these goals has been achieved. Investment demand created on various decision-making levels greatly exceeds the capability for fulfillment. This results in chain reactions. Above all, it results in inefficient fulfillment of investment projects, putting them aside during an advantageous time for which the investment effort has been calculated. At the same time, no changes have been noted in the expenditures structure. Preferential conditions which were created for central investments (among other things, safeguarding them through government orders), as well as past central investments which have been transferred to the enterprises are in control of the flow of actual funds, primarily those projects initiated during the past decade. In this manner, the process of strengthening the economic structure is taking place.

The broad scope of continued investments and their structure is a great burden on the state budget as regards expenditures. This compels one to seek budget revenues by the establishment of various types of obligations of a fiscal nature, and weakening the operational efficiency of the reform mechanisms. On this basis, the tendencies to restrict investment demand are generated through the decrease in funds collected in the enterprises for development needs. During the discussion of these matters at the task group meeting, this manner of dealing with the matter was acknowledged as erroneous. Especially considering the danger presented by the currently growing capital disinvestment



process. In addition, it was determined that the restriction of funds for enterprise investments which also include manufacturers of investment goods can cause further intensification of disequilibrium in this sector of the economy.

The planned modifications of the economic-financial system of investments proceeding in this very direction together with the intended shift in authority between the central authorities and economic matters elicited numerous critical remarks at the session. Also criticized was the fact that the proposed solutions were not presented for approval to the individual groups which constitute the Commission for Economic Reform.

The group is currently working on formulating concrete proposals in this area, based upon work already underway and designed to reveal the principal factors responsible for the shortcomings in the investment process. Six working groups were appointed, and they began work on the following topics: an evaluation of the functioning of the economic-financial investment system; an evaluation of the effects of government orders on investments; directions and principles governing prices of investment goods and services; systemic conditions for shaping relations between expenditures for repairs and enterprise investments; the influence of systemic solutions on investments associated with scientific-technological advancement; and finally an evaluation of planned modifications of the methodological bases concerning the calculation of investment efficiency. These topics were approved by the Secretariat of the Commission for Economic Reform Matters.

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## LABOR FORCE DECLINING IN WARSAW AREA INDUSTRY

Warsaw TRYBUNA LUDU in Polish 17 Sep 86 p 5

[Text] In recent years there has been a significant decline in the Warsaw area labor force. The labor force at the Warszawa Steelworks has declined by 25 percent since 1982, and there are even enterprises where 50 percent of the workers have left. In general, the shortage of workers in Warsaw area manufacturing enterprises is estimated at approximately 60,000. This unfavorable situation will not improve, as is evident from the demographic prognoses and the overall labor supply balance in Warsaw Province. The scope of the problem is intensified by the phenomenon of excessive labor force fluctuations. Every fifth person employed in Warsaw area socialized industry changes jobs once a year. All of this influences the quality of production and work discipline.

The members of the Warsaw directors club of the NOT [Chief Technical Organization] took part in the 16 September discussion on matters pertaining to employment rationalization and labor policy in industry. Noting the need for many new and sweeping changes, they stressed, among other things, the need to strengthen the ties which link the worker with the enterprise. Increasing the payment of considerable supplements for long years of service in one enterprise as well as increased construction of company housing can play an important role. The establishment of mechanisms which allow for greater remuneration for increased output efficiency has also been recognized as essential. Solving labor force problems by opening up branches for specific industries outside the Warsaw area, and the implementation of automation continues to be difficult.

Janusz Kubasiewicz and Jerzy Boleslawski took part in the meeting.

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## WEEKLY PUBLISHES MORE PERSONAL COMPUTER PRICES

Warsaw VETO in Polish No 40, 5 Oct 86 p 10

[Article by Jerzy Zawadzki]

[Text] The latest microcomputer trade shows were held in Warsaw on Saturday, 20 September, and on Sunday, 21 September. In comparison with the trade shows held two weeks earlier, it was possible to observe a definite increase in the number of vendors, an obvious sign of the recent return of Poles from trips abroad. There were also many buyers who were mostly looking for new games and useful software, recently brought in from abroad.

Since neither the show in the "barn" nor the one organized in the school near Grzybowska Street yielded any undue revelations concerning the newest model Amstrad PC-1512 which is compatible with the IBM PC, it is still useless to look for this with a joystick in hand. The prices given below are average prices for specific brands and types of computers and software.

The Commodore-128 is becoming more widely available and its price continues to fall steadily, to around 270,000 to 275,000 zloty. A fairly good Polish translation of the manual (finally!) costs 17,000 zloty. The Atari 130-XE and the Commodore-128 software (see below) were new.

Computer and Disc Prices:

Spectrum Plus, 48kB	110,000-115,000 zloty
Kempston Interface	15,000
Quickshot II Joystick	7,000
Atari 800-XL with cassette tape drive	130,000

# Computer and Disc Prices:

Atari 130-XE	200,000 zloty
Amstrad CPC-464 with a green screen monitor	220,000
Amstrad CPC-464 with a color screen monitor	not available
3-inch discs for Amstrad	5,000
5 1/4-inch discs (10 units)	15,000
Commodore-16	60,000
Commodore-20	85,000
Commodore-64	120,000
Commodore-128	270,000-275,000
Commodore-128D	not available
Commodore-Plus 4	not available

Commodore-128 Software (with the customer's disc): Software compatible with CP/M:

dBase II (data base)	6,000
WordStar (textword processor)	6,000
Turbopascal (computer language)	4,000
Supercalc (spread sheet program)	4,000
Cobol (computer language)	3,000
Superterm (terminal program CP/M 2.2 to CP/M 3.0)	2,500
Multiplan (data base)	5,000
Fortran (computer language)	3,000

Software compatible with 128:

Superscript-128 (textword processor)	6,000
Superbase-128 (data base)	6,000
Basic Compiler-128 (basic compiler)	5,000
Wordwriter (text processor, without unscreened format, approximately 300 pages of A-4 type-written format, 50 lines with 60 characters)	6,000
Swiftcalc (spread sheet program)	5,000
JANE (integrated program: database text processor and spread sheet program)	5,000
Cartpack-128 (graph package)	3,000
Personal Finances (personal accounting)	4,000
Data Manager (data base)	4,000
Fast Hack'em 3.0A (copying program)	15,000
Fast Hack'em 4.0A (copying program)	17,000
Textomat Plus (text processor)	6,000
Protect (text processor)	6,000

The majority of the above-mentioned software was offered in the German-language version and often without service instructions, thus making it more difficult and sometimes simply impossible to operate properly. Therefore, we advise that before one buys, one should inquire as to which language the

software has been written in and if it also comes with service instructions. Of course, this increases the total cost by the cost of the copy or translation, but it is indispensable, at least in the case of the text processor or data base.

A general principle to follow: never buy any software without checking it on the spot. There are cases where the copies offered did not work properly and became jammed and produced numerous errors.

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ECONOMY

ROMANIA

## INCREASED PRODUCTION OF MINERALS REPORTED

Bucharest MINE PETROL SI GAZE in Romanian Vol 37 Aug 86 pp 358-359

[Unsigned article: "Miner's Day"]

[Text] It has become traditional for workers in the mining extraction industry to celebrate Miner's Day with increasingly better results in fulfilling the plan, so as to steadily complete the development program for the production of mineral raw materials and energy resources, thus responding to the constant attention devoted to the mining industry by Nicolae Ceausescu, secretary general of the RCP.

Convinced that the development of the raw materials--and especially of the energy--basis is currently a vital requirement for assuring the country's economic and social progress, the miners consider it a patriotic duty to make even greater efforts to increase the production of coal, metal ores, and non-metallic substances.

During the first six months, the sustained efforts of all workers' collectives resulted in large production increases compared to the same period in 1985.

For net coal, total production for the first six months exceeds by 5.5 percent the one achieved during the corresponding period of 1985. The growth has been 21.3 percent for pitcoal prepared for coke and semi-coke, 7.7 percent for zinc concentrates, 12.3 percent for limestone used in steelmaking and the chemical industry, and 13.0 percent for prepared kaolin.

The miners in the Valea Jiului coal basin celebrate their day by reporting to the Honorary Miner, the secretary general of the party, Nicolae Ceausescu, that they have exceeded the net production of the plan. Outstanding results have been obtained by the miners of the Paroseni mine, who exceeded the plan by more than 26,000 tons of extracted pitcoal, and by those at the Lonea mine with 20,000 tons during the first six months.

As part of the balance sheet that we draw on this occasion, we must point out the collective of the Voivozi Mining Enterprise, which has extracted 11,500 tons of pitcoal and brown coal in excess of the plan.

The miners at the Ploiesti Mining Combine, and at the Salaj and Horezu mining enterprises, have produced large quantities of coal in excess of the plan, amounting to 88,000 tons for six months.

In the ore sector as well, some collectives have achieved great successes in the socialist competition to assure additional amounts of raw materials.

The miners in the Baia Mare mining basins have produced significant amounts of metal concentrates--about 650 tons of copper and 400 tons of lead--and those at the Deva Ore Central 530 tons of zinc concentrate.

The miners in the non-metallic sector have exceeded the plan by 190,000 tons of limestone, 30,000 tons of sand, and other products.

Significant achievements were also obtained in introducing and expanding technological progress. The production extracted from areas equipped with mechanized support and cutting machines has increased by 11.3 percent during the first six months compared to the same period of last year. Good results were obtained by the Valea Jiului and Motru mining combines, where the increases registered between 11 and 15 percent.

Ore production extracted during the first half of this year from cuttings that use the block caving method, exceeds by 29 percent the level achieved during the first six months of 1985, the best results being obtained by the mining units of the Baia Mare Ore Central, where the growth was 86.2 percent.

The volume of open pit stripping during the first half of this year exceeds by 7.8 million cubic meters the volume achieved during the first half of 1985. The units in the Oltenia coal basin have uncovered a volume 8.6 percent greater than the corresponding period of 1985, the largest growth being achieved by the Rovinari Mining Combine (14.5 percent).

Concurrent with the concern for production increase, perseverant action was taken to raise labor productivity with good results. The value of labor productivity increased by 3.5 percent for the entire mining extraction industry. Physical productivity increased by 12.9 percent for extracted pitcoal and 13.5 percent for non-metallic ores. Among the units which have achieved good results are the Valea Jiului Mining Combine, the Ploiesti Mining Combine, the Voivozi Mining Enterprise, the Mehedinti Mining Enterprise, the Baia Mare Ore Central, and the Central for Salt and Non-Metallic Substances, which have exceeded their task to increase labor productivity as follows: 7.8 percent for the Valea Jiului Mining Combine, 18 percent for the Voivozi Mining Enterprise, 11 percent for the Salaj Mining Enterprise, 12.3 percent for the Mehedinti Mining Enterprise, and 5.8 percent for the Central for Salt and Non-Metallic Substances.

According to the plan's provisions, the tasks for this year's second half show significant increases for all indicators. Coal production will increase compared to the achievements of the first half, primarily by increasing the intensive and extensive utilization of rotor excavators in pitcoal strip mines, and through the opening of new facilities which in the pitcoal sector add up to about 8.9 million tons per year.

The copper concentrate production is expected to grow by 31.9 percent during the second half of the year by starting new processing lines at the Rosia Poieni Copper Mining Enterprise, and by increasing the operating indicators of equipment at the copper processing installation in Moldova Noua.

Special actions will be undertaken to intensify the discovery of new reserves of useful mineral substances. According to the plan tasks and established programs, a volume of reserves is expected to be disclosed, which will cover or exceed consumption for that period, thus maintaining the normalcy indicator at an appropriate level.

The very high rate of production development will create conditions to achieve efficiency indicators higher than those of the first half.

Labor productivity will increase by 12 percent and production costs will be reduced by 67.6 lei/1000 lei of produced goods, of which 56.8 lei will be derived from material expenses.

In order to create conditions for production development and improve economic efficiency, programs of measures have been formulated to reach planned levels in the utilization of production capabilities, reduce material consumption, and organize and modernize production processes.

The major portion of the established measures concern the modernization of technical production processes (45 percent of all the measures), and improvements in production and work activities, and in staff training (20 percent).

Some examples of the measures established in the coal sector are:

Increase the number of worksites in pitcoal mines for stripping and preparation operations equipped with cutting combines;

Expand the method of frontal cutting under a strong roof at level 3 in the Dija, Vulcan, and Aninosa mines in the Valea Jiului basin;

Expand the degree of intensive and extensive utilization for excavation, transportation, and waste disposal in pitcoal mines, by reducing the duration of repairs by 340h/excavator/year, and reducing the duration of unscheduled interventions;

Reduce the number of track shiftings, and reduce the duration of such operations by increasing track sections from 40 to 80 m;



At the Lupoia mine, expand the direct disposal of waste resulting from lower levels of the mine, by providing a long-arm machine of the 4400.170 type.

Significant measures were also established in the sector of non-metallic ores and substances.

On their traditional day, the miners pledge to act with all their skill and working abilities to answer the call issued by party and state leaders, and by Nicolae Ceausescu, to give the country more coal and more ores.

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CSO: 2700/59

## BRIEFS

ITALIAN MINISTER ARRIVES--Prague, 28 Oct (ANSA)--Italian Agricultural Minister Filippo Maria Pandolfi expects "concrete steps" in agricultural cooperation between Italy and Czechoslovakia during the visit he has just started here, the minister told reporters. Pandolfi flew in Monday for talks with his Czechoslovak counterpart, Miloslav Toman, who is also a deputy premier. According to Pandolfi, who struck an optimistic note to start his visit, "probably more than other countries, Italy can contribute to the indispensable completion of Czechoslovak agriculture." He said particular attention was being given to the "agro-food chain," meaning the changes in the farm product through industrial transformation, especially as regards milk products--"and still more, modern systems of processing, packaging and distribution." According to sources, the upshot could be joint ventures, which are still in the experimental stage in Czechoslovakia, for the provision of collective restaurant and food services. [Text] [Rome ANSA in English 1030 GMT 28 Oct 86] /9604

POLISARIO DELEGATION DEPARTS--Prague, 31 Oct (CTK)--A delegation of the Polisario front from western Sahara ended its visit to Czechoslovakia and left here for home today. The delegation, led by member of the Polisario executive committee Ali Baiba Mahfoud [name as received], visited Czechoslovakia at the invitation of the Czechoslovak Committee of Solidarity with Nations of Africa, Asia and Latin America. It held talks with the committee's chairman Miloslav Vacik on the development of mutual cooperation. [Text] [Prague CTK in English 1316 GMT 31 Oct 86] /9604

DELEGATION MEETS JAPANESE OFFICIALS--Tokyo, 28 Oct (CTK)--The visiting delegation of the Czechoslovak Federal Assembly, headed by its Deputy Chairman and Chairman of the House of Nations Dalibor Hanes, met here today with Nihachiro Hanamura, vice-chairman of the Japan Federation of Economic Organizations (Keidanren). Both sides appreciated the level of economic relations between the two countries and pointed out the further possibilities in trade exchange and particularly in the development of higher forms of economic and scientific-technological cooperation. They also confirmed their interest in a speedier and more effective development of economic contacts. The delegation met later in the day with members of the Czechoslovakia-Japan Friendship League in both chambers of the Japanese parliament to discuss enhancement of contacts between Czechoslovakia and Japan in all spheres, and with leading representatives of the Toshiba Company who expressed interest in mutually beneficial cooperation with Czechoslovak enterprises. [Text] [Prague CTK in English 1900 GMT 28 Oct 86] /9604

BORDER GUARD ESCAPES--Vienna--Unnoticed by his colleagues, a CSSR border guard was able to escape to Austria during the night. Near Duernkrut the man waded through the River March, which has a very low water level at present. Around 2100 local time the 29-year-old refugee turned up in the sugar factory in Duernkrut and asked the workers to notify the authorities. He wants to emigrate to Canada. The Czech had been on duty as a border guard. His knowledge of the local area very likely helped him in his escape. [Text] [Vienna ORF Teletext in German 1038 GMT 23 Oct 86] /9604

CSO: 2300/77

## CADRE TRAINING PROCEDURES RESTATED, MODIFIED

West Berlin IWE TAGESDIENST in German No 167, 28 Oct 86 pp 1-2

[Article: "SED Politburo Emphasizes Importance of Cadre Politics"]

[Text] IWE, Berlin, 28 Oct--The SED intends to exercise even greater care in the selection and training of its cadres and in the general conduct of cadre politics, as is indicated in a 30 September 1986 Politburo resolution which has now been made public. "More effective cadre education" is called for in the resolution. The rationale is that problems to be solved with a view toward the demands of the year 2000 place "significantly higher demands on the party's leadership role and thus on the cadre's political and professional knowledge, abilities and leadership qualities." "Inflexible ideological steadfastness and class awareness in every political situation" is identified as the "decisive criterion" for the cadre's education. The SED Politburo views that as an important factor "for the continuity and political stability" of social development in the GDR.

In addition, the Politburo resolution demands of the party cadres "that they always take into account the interests of the workers, closely identify with the masses, and mobilize them to fulfill tasks consciously and actively." Politically experienced and professionally qualified cadres "who are in a position to sensitively prepare workers to meet new demands, to involve them actively, to conscientiously consider their proposals and to create a constructive working atmosphere" are to be appointed.

According to the Politburo resolution the selection of cadres and their assignment to party schools are to be carried out "even more purposefully." "More attention" is to be paid to the political qualification of the party secretaries in the factories. The Politburo calls for higher quality and a higher Marxist-Leninist standard from the advanced training meetings for party functionaries. In addition, the resolution requires that more women be trained for leadership positions. The verbatim text on this point is: "Young women in particular ought to be assigned to the party's highest educational facilities, entrusted with responsible duties, and purposefully developed for the anticipated leadership positions."

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CSO: 2300/83

## CRAXI URGES PCI TO REHABILITATE 1986 LEADER IMRE NAGY

Rome AVANTI in Italian 10 Oct 86 p 1

[Signed editorial by Bettino Craxi: "The Courage of Truth"]

[Text] Budapest and Rome: 1956-1986.

Polemics serve no purpose. What would be useful, however, is a careful re-reading of the events of those months and years, together with an evaluation of the history of those events--an evaluation conducted, to the extent possible, in accordance with the truth. One may wonder at this point--30 years after the tragedy in Budapest--how it can be possible that no one in the communist camp has yet felt either the obligation or the need to undertake the rehabilitation of the Hungarian communist leader Imre Nagy in order to grant him his rightful place in the history of his country and in the history of the international communist movement.

I am aware that it would be difficult even today to ask this of the Hungarian communists, whose leader, however--we may recall--remained at Nagy's side almost to the last moment, after having himself been persecuted as a victim of Stalinism.

There are many possible reasons for this difficulty, but in actuality only one is still relevant and valid in today's Hungary--a country that has by now actually healed many wounds and is seeking--within specific limits--new ways to achieve development and renewal.

But this line of reasoning does not apply--and should not apply--to the Italian communists, who could indeed--in the light, moreover, of their own history and in keeping with their positions and grave responsibilities--perform an act of courage, integrity, and even of reparation.

Imre Nagy, we may recall, was a revisionist national communist who during his entire life, right up to the tragic epilogue, was able to remain faithful to his principles--the principles of a patriot and democratic revolutionary.

The Marxist philosopher Gyorgy Lukacs had described him as the continuator of that "antisectarian" strain of Magyar communism that had already demonstrated its vitality in the internal party struggles of the 1930's.

Nagy did not, in fact, consider the one-party dictatorship to be necessary, and favored a form of political pluralism and open collaboration with other political forces and organizations.

He hailed the principle that there are "many different roads" to socialism and, above all, affirmed "the possibility of making one's way to socialism without abandoning the high road of national democracy."

Specifically, he wanted to know: "Can the concept of socialism and proletarian internationalism be reconciled with the concept of national independence?" The response--in his own words--was firm, clear, and concise: "National independence, sovereignty, equal rights, and nonintervention are principles that have the same significance in all countries--in the context of any country be it capitalist, socialist, a people's democracy, or any other type of regime. Not even political, economic, cultural, or defensive cooperation--which is always closer among socialist countries--may curtail complete respect for each of these principles, nor should it in any way delay their implementation." His motto was "patriotism plus socialist democracy."

This was indeed going too far. It was too great a heresy, and for this reason Imre Nagy--just as other heretics--likewise went to the stake. He was felled by the tempest of the tragic and bloody events in Budapest, captured by the Russians through treachery, drowned in slanderous accusations, and executed.

One Hungarian writer in 1949 denounced--in the following words--the atrocious trial of Rajk, proclaiming the innocence that in later years was finally acknowledged: "Lies, deceit, and myths are completely antithetical to the principles of morality and the essential conditions of socialism. Truth is the oxygen without which socialism could not survive."

Thirty years later--in 1986--the book of the life and death of Imre Nagy has remained open, because it is waiting for a free, authoritative communist to write that page of justice and truth that is lacking.

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CSO: 3528/22

## NATTA ON PCI REFUSAL TO CRITICIZE SOVIET ROLE IN 1956

Rome L'UNITA in Italian 12 Oct 86 p 3

[Interview with Alessandro Natta by Ugo Baduel; place, date not specified]

[Text] "What do you want to talk about with us?" said Alessandro Natta. "It was we who promised and are promoting the most careful historical study of the events of 1956. But if instead someone wants to claim that our party stands firm on the judgments pronounced then, then he is claiming the opposite of the truth: we long ago superseded those judgments by events. If we had really waited 30 years, we would certainly not be the major political force that we are in Italy and in Europe. The same historical experience of a party is evaluated by what it has succeeded in becoming politically and morally. Let the others, all those who want to instruct us, explain what their political and moral progress has been. No trifling. The lesson of 1956 brought us to a review and a renewal that we have never interrupted. The distances from then are great. The new gains, right up to those of the latest congress, speak clearly.

At the outset, it was an argumentative Natta who received me at the Communist Headquarters, and a little indignant at having to face the mediocre ploys aimed only at showing that "as long as the PCI remains this way...", "if this is how the PCI is...", following the old script that "examinations never end." However, then it was a calm Natta who for 2 hours and more talked about that October in 1956, about the Hungarian tragedy of that time, about the strong emotion of the Italian Communists, but also about what had happened previously and what happened afterward: in order to understand and thus judge with historical reason. Everyone knows what we are talking about. We are 30 years from the Budapest events, from that terrible 1956, which seemed to concentrate an extraordinary epic film of various events: the 20th Soviet Party Congress, the workers revolt of Poznan, Hungary, the Anglo-French aggression against Egypt for nationalization of the Suez Canal, and in Italy the Eighth PCI Congress. A number of books, articles and interviews have appeared, and at the initiative of the Gramsci Institute a meeting was held in Florence: all opportunities to deepen the knowledge and reflection on those events.

The Communists were committed first and more than anyone else to this task of recalling and study, and this is certainly a significant fact.

However, at a certain point, and one can well understand why, the opportunity was abruptly overturned into something else, that is, into the old question: to what extent is the PCI able today to disavow what it said and what it was then? Giuseppe Boffa raised the question, in recent days, whether the Party leadership should have resorted to meeting to draft a new and different communique than the one it discussed and approved on 4 November 1956, at the time of the entrance of Soviet tanks into Budapest.

And Natta observed: "The concrete movement and transformation of a political force was one thing, and the historiographic work another. We are promoting the historical investigation in order to understand ever better and more. The interpretation of events is never completed. However, we have not waited for the historiographic investigation before changing ourselves, yet without losing the basic reasons of our struggle. However, it does not make sense to ask for abjurations. We are not a church. We change and correct ourselves in our concrete political operation. And we are proud that we have not only changed ourselves, but have also contributed to changing others in Italy and in the international workers movement. And it is grotesque instrumentality to call on Italian Communists to speak as if we were only a few weeks away from those events, and as if we had done nothing between then and now."

[Question] It is said that when, during your recent visit to Budapest, you were asked for a judgment on the events of 1956, you defined it with the word "dramatic," which has been regarded as reductive.

[Answer] "I was speaking in Budapest at a press conference that included many topics. Reducing my own and our analyses to a brief response in a press conference is indeed reductive. Someone asked me whether Kadar had talked to us in 1956. I felt it important at that moment to underline a political fact. That we had met to evaluate the road covered, and the profound changes in one and the other party, and the course that each in its autonomy intended to further pursue. It seems to me that the original point reached by Hungary is today recognized by everyone. We, ourselves, in the fire of a tough battle, passed a historic turning point that enabled us to move forward in the field of national autonomy, a new vision of internationalism, and search for a democratic road to socialism. The whole world knows what the Italian Communists are today."

[Question] But don't you think it is permitted to say "we made a mistake"?

[Answer] "It is permitted. And we are certainly not a party that is grudging in self-criticism. However, self-criticism is real and serious if it suggests new positions and behaviors."

[Question] Do you mean that one must reread the past to draw lessons for the present?

[Answer] "Certainly, and that is the right way to pose the question. Look: I went to Hungary to understand and evaluate once again the reforms and innovations through which that country has been opening a new path for itself. This interest was heightened because in other countries--in the USSR and China--efforts are underway, in situations that are obviously not comparable,



that could relate to the problems of economic and political renewal being faced in Hungary."

[Question] Yet it is a fact that the PCI in 1956 was different from that in 1986, and that there is nothing strange in also talking about "the way we were" and about the mistakes that were made.

[Answer] "Nothing strange, certainly. Yet as long as this does not turn into simplifications and absurd reductions, and above all that it mean that revision or superceding of erroneous or unilateral positions find effective and convincing confirmation in concrete political and ideological development. For example, what sense would it make to demand that French Socialists on every anniversary make amends for responsibility for the aggression on Egypt of November 1956, or for the launching of the bloody repression in Algeria? What sense would it make to call on the German Social-Democrats to make a ritual disavowal of the assassination of Rosa Luxemburg and Karl Liebknecht carried out under Noske? The judgment of those parties is based on their current policy, on what they have become also in the wake of those traumas. We have the right to ask that the same apply for our party."

[Question] And now let us move to the value of that "unforgettable" 1956. It appears to me valid to conclude, initially, that a political force of relevant influence and a long past--whatever it may be--has basically only one method for "studying" history: and it is that of making history, of doing so concretely in time and things. And thus I ask you how the PCI began quickly to "make history" in those terrible days in October 30 years ago.

[Answer] "In the meanwhile, I regard as wrong the trend of the debate these days in reducing everything that happened then to the Soviet intervention of 4 November. The facts were much more complex--even Kadar noted this at the last congress of his party--and they had distant roots. There came to light an erroneous concept of socialism that had produced the social and political crisis which began in 1953 and had generated a harsh struggle within the Communist ranks themselves. The Italian Communists were aligned with the renovators in stressing the seriousness of the mistakes made. We certainly did not defend Rakosi, and we openly argued with those also in our own ranks who wanted to reduce that submovement to a counterrevolutionary action or a foreign plot. Italian Communists stressed that the cause and responsibility prior to the crisis lay in the fact that there had not prevailed there the servile imitation of the Soviet model, authoritarian and bureaucratic system and political practice, and that everything became aggravated until the breakdown of the persistent resistances to changing, even after the CPSU 20th Congress, the wrong directions of the past that had been condemned as such. Certainly we did not then have a complete vision of the theoretical, economic, social and political roots of the basic processes that were at the basis of these errors."

[Question] A "yes" to Moscow, the final "yes," was nevertheless said...

[Answer] "Also about this, we need to be precise: we did not say a 'yes' to Moscow in the sense in which people continue to describe it today. Our positions already included criticism of the halt blow given to the experiments

of the people's democracies, of the serious distortion of the relations among the Communist countries and parties. We must always remember what was the real attitude of Italian Communists then. Also, when there came the Soviet resolution of 30 October reaffirming the principles of sovereignty, independence, and equality, and that appeared to open the way to a peaceful solution, but was revealed to be late. Moreover, 'no' had already been said to the model of the leader state, the Cominform had been described as an error, and, above all, the strategy of the 'national roads' had long been launched. In the very June of 1956, it was not just we who were struck by Togliatti's interview in NUOVI ARGOMENTI in which he used the formula of 'polycentrism' (and there were also some who said that these concepts were a motive for the revolt of the Eastern countries). To be historically correct, all this cannot today be interpreted in terms of a passive acquiescence to the USSR. There was talk about the 'sad necessity,' and the term 'sad' expressed our sentiment over the collapse, the inability of the Hungarian Communists to face matters with their forces. We were not winners in that case, that is very clear..."

[Question] However, Craxi made a request to you about only one point: the rehabilitation of Nagy.

[Answer] "Craxi did not ask this of the Hungarian leaders. I can understand the reasons for this attitude. However, from us one can ask for only one judgment. And our judgment is clear: Nagy was certainly a communist. His execution was thus a terrible and rending event for us. While it was necessary for Italian Communists in that moment to hold firm to a line of struggle, I also consider that that was an unjust and inhumane action. However, doing justice to that Communist leader does not mean taking a decision, in a kind of summary judgment, on the motives and the wrongs of all the protagonists in those tragic events."

[Question] But 12 years later, in face of the Soviet tanks of 1968, the PCI's protest had very different tones.

[Answer] "In 1968, not only were the PCI's location and positions different, also in regard to looking back on 1956. But the situation was profoundly different. In Czechoslovakia the Soviets intervened against a state, against a Communist Party that was attempting with courage and strictness a new road. In Hungary, it was a great popular uprising. Certainly there were involved some sincere revolutionaries who wanted a different socialism, but one cannot hide that there were also genuine counterrevolutionaries who looked to Horthy. It was the beginning of a civil war. In the international field, the Cold War was in full swing, during those same days the aggression against Egypt exploded. And then a country like Hungary--as Pajetta well stated--had in its historical memory the trauma of the Western invasion (French, Romanian, Czechoslovak) of 1919, when the Republic of Councils was put down with bloodshed, and it was also a country that had had a very small resistance, not comparable to the antifascist resistance of Yugoslavia or Italy. There was the distress of already visible rightist threats, and throughout the world there was terror of a conflict. One cannot forget that because of these very concerns there were also countries outside the Warsaw Pact, such as China and Yugoslavia, that agreed with the intervention."

[Question] Ingrao has recalled that Togliatti told him in 1956 that "there were no other alternatives." Do you think that was the case?

[Answer] "Further to the basis for that judgment, I believe I can say that that was indeed the state of mind prevailing in the party in regard to the intervention. Also, discussion of Togliatti's role in that phase must seek to be fully correct. There can be many debatable episodes, actions, judgments (I see that many are being pointed out in these days: an article, a meeting, a letter, or an outright fit of temper), but the fact remains that the period 1956-1964--along with that of 1944-1947--was the most decisive in innovation of all the 20 years of Togliatti's leadership of the party. Did he make mistakes? He did make some, and perhaps some that were not secondary: for example, the judgment on the Poznan events of June 1956, a judgment that was certainly superficial and was then contradicted by Gomulka himself. But looking at the 8 years, from the interview for NUOVI ARGOMENTI to the Yalta Memorial, one can see the plot of a powerful work that produced, though not without contradictions, the renewal of a great communist force. An action that beyond that 1956 was able to respond to the major international and internal challenges of those years, in face of which, without an innovative action, the Italian Communists' original contribution to the historical record of the country itself and of the European workers movement could have been reduced or canceled. Certainly, not everything was done at the time. And the subsequent road from Longo to Berlinguer was necessary."

[Question] And this prevented the PCI from being pushed to the sideline as many had desired or feared in 1956. Instead, the PCI moved ahead.

[Answer] It is true that in the 1958 elections we did not disappear as some had thought, and in 1963 we made that jump forward that substantially changed the relations of strength on the left. These results did not arise from a conscious methodology, as some have said and written. It was a matter of something more profound; that in freeing ourselves from dogmatisms and mythical positions, we forced ourselves to constantly hold firm to the necessity not to quench the hopes of the left and such a large portion of the population. Let us be clear: we lived through a difficult and also dramatic test, since that profound political and ideological renewal that was necessary, needed to become, as it did become, persuasion for a great workers movement. The main thing is that we led into new positions the whole complex of communist forces, while keeping firm the relationship between a line of democratic struggle, reforms, immediate and partial conquests and defense, and affirmation of socialist values. The uniqueness and strength of our party have been and remain to a great extent based precisely on the fact of having always kept open the prospects of, and commitment to, renewal and transformation of our society on the basis of the ideals and values of socialism. Others have caused to pay and paid dearly the price of abandonment."

[Question] However, do you think, therefore, that those who chose a different road, such as Giolitti, were entirely wrong?

[Answer] "I have never thought that one could split rights and wrongs with a hatchet. Giolitti and other comrades certainly had valid motives in their

criticism. I did not maintain then, nor do I now, that this necessarily put them outside our party. I have read Giolitti's bitter reflections 30 years later about the present destinations of the party that he chose then. I maintain that the same 'reencounter' that he himself had hoped for then can happen today through a common reflection on the needs that are apparent for a great socialist force."

[Question] I see that you persist with the theme of unity of the leftists, even though one cannot say for certain whether there is good feeling in these relations and that provocations are to be avoided...

[Answer] "We are watching with concern the continuing effort, sometimes also completely opportunistic, to dig trenches and incite tensions on the left. We are not concerned for ourselves. The Socialist Party is in the process of observing in events the negative impact that a policy of rupture on the left has produced. The consequences appear serious both for the country and for the PSI itself. And this is why we intend to persist in our effort for the understanding on the left. As everyone knows, the division benefits only the most conservative forces, inside and outside the DC. This is so evident that interesting signs are beginning to appear in the political reality of a resumption not only of dialogue but also of cooperation. In order that this process can go forward, it will also be useful to have serious discussion of the history of each one, without propagandizing and self-serving. Yet, that is not the essential thing. What counts is facing, if the challenge is necessary, the problems of today. We cannot cover up the shortcomings or errors of the present by seeking a confrontation over what happened 30 years ago. Today, there is opening up throughout Europe a new prospect for reforming efforts: we call ourselves and all the Italian left to this test bench."

9920

CSO: 3528/19

## MESSNER, SIWICKI VISIT MILITARY DISTRICT

Warsaw RZECZPOSPOLITA in Polish 3 Sep 86 p 3

[Text] Prime Minister Zbigniew Messner accompanied by the minister of national defense, Army General Florian Siwicki, visited an air force unit and then also a mechanized unit of the Pomeranian Military District.

Pilots of the unit which continues the fighting line tradition perform their training exercises on the most advanced equipment airplanes SU-22. The guests were informed about the results of their training, educational activities, work for the party and youth. Lieutenant Colonel Janusz Konieczny was one of those who gave the information.

In his direct conversation with the airmen, among whom were Major Jerzy Wachowicz, Lieutenant Jerzy Gapia, Lieutenant Jerzy Girgiel, Lieutenant Zbigniew Mazur, and Lieutenant Andrzej Polech, the prime minister inquired about the course of their service, the conditions of training and recreation. He expressed his appreciation of their exemplary work, excellent work, excellent results of the training, and wished them success in mastering the use of the modern equipment.

In the mechanized unit the guests got acquainted with the base, results of training, and the conditions of the soldiers' rest and recreation. They visited the hall of tradition of that unit. In the exercise field they observed some soldiers training. The prime minister congratulated the leadership of the unit, the cadres and soldiers on the achieved results in training and educating the soldiers, and wished them success in preparing them to work for the good of the country.

12470/12951  
CSO: 2600/47

## UNIONISTS VOICE COMPLAINTS ABOUT 'LIVING CONDITIONS'

Warsaw ZYCIE WARSZAWY in Polish 29 Aug 86 pp 1, 2

[Text] At yesterday's meeting of Alfred Miodowicz, member of the Politburo and OPZZ chairman, with the unionists of Warsaw's working class district-Wola, a debate of several hours took place about the difficulties of our daily life. The main subjects were the problems of wages, prices and the cost of living. It was stressed that for some time now there was no definite system of wage levels worked out and no realization of such sums as additional payment for seniority on the job, special awards, or minimum wages. There was talk about the rising cost of vacations and the shortcomings of our daily life, as for instance the malfunctioning of commerce, of transportation, and the difficulties in getting health service. All that is detrimental to the quality of our life. Hence thoughts were expressed about what means could the unions undertake in order to counteract these negative phenomena.

The unionists also expressed interest in the progress of the work on the law about the social services and housing fund, collective labor contracts and labor laws. Many expressed criticism of the system of revalorization of disability and retirement pensions which prevents the end of disproportion. Thoughts were expressed also about the function of the labor movement in the context of its role in solving the country's socio-economic problems. The program in this department will be worked out at the Second Congress of Trade Unions which will take place this coming November.

Alfred Miodowicz expressed his views on social and economic subjects, elaborating among others on the hours of work, efficiency of work and the tendency to prolong the time of work. In this respect the unions consider as binding the agreement of August. This means that they are against work on Saturday and Sunday and overtime. But they consider it proper to create conditions for getting better results out of the 42 hour work-week. The labor unions - said Alfred Miodowicz - will take a closer look at this problem as well as the labor problems in the so-called economic collectives. The chairman of the OPZZ described the current activities of the unions and answered numerous questions. Also representatives of the Ministry of Labor, Wages and Social Service Affairs and members of the city and district administration who were present at the meeting made some comments and explanations. Before noon Alfred Miodowicz met with the work force and management of the M. Kasprzak plan. The meeting in Wola was organized through the initiative of Warsaw Association of Trade Unions.

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## GUARANTEES SOUGHT IN CONGRESS PROMISES

Warsaw ZYCIE WARSZAWY in Polish 5 Sep 86 p 3

[Press review: Post-Congress reflections by Aleksander Szymanek in GAZETA KRAKOWSKA, 29 Aug]

[Excerpt] If there has been a fundamental difference between the 10th [PZPR] Congress and many of those which preceded it, it derives precisely from awareness of the truth that the most significant thing is not words, not even the wisest or those proclaimed from the top platforms, but the reality which follows them. The issue, whether--as well as how faithfully and how consistently--the congress ideas will turn into action, implemented in everyday work and demonstrated in everyday behavior [determine the difference].

But how people who have survived all the Polish errors and deviations, who have followed all the 10 congresses together with the conferences and plenary sessions in between, would like to be sure, even to be given guarantees, that such words--true to their contents and values--finally would be followed by deeds, that the ideal of socialism which needs no verbal convincing, would be implemented in conformance with its spirit, in its trust and purity, without all those turns, errors, and deviations?

Young people in particular, those who are just entering their adult life, those for whom People's Poland and socialism mean what has just recently happened, will expect this kind of guarantee.

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CSO: 2600/46

## YOUTH ATTITUDES, 'PASSIVITY' EXPLAINED

Warsaw ZYCIE WARSZAWY in Polish 5 Sep 86 p 3

[Press review: Interview by Mieczyslawa Teodorczyk with Maria Bartman, school and education superintendent in Rzeszow, published by NOWINY RZESZOWSKIE, 26 Aug]]

[Excerpt] We are aware that the correct attitude of students, observed in our schools, might well be nothing but make-believe. They do a lot for the sake of peace, and therefore they are disciplined, polite, well mannered, they duly participate in all the civic duties. But whether they really do feel and think like that, whether they are convinced of the need for such behavior--that is a totally different question.

While keeping an eye on student issues, I have to admit that they reach maturity in times much more difficult and complicated than those we grew up in. Years ago, young people would become ripe for civic duties very gradually, while today [they mature] too violently. A young man who loses his trust in authority too soon, will remain all alone. And loneliness breeds frustration, aggression, youth rebellion.

12485/9835

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## SEJM COUNCIL, YOUTH UNION REPRESENTATIVES MEET

Warsaw RZECZPOSPOLITA in Polish 6-7 Sep 86 pp 1, 5

[PAP item: "Young Deputies About the Sejm and Youth Problems"]

[Text] A 2-day meeting between a group of young deputies and members of youth unions represented in the Sejm's Socioeconomic Council, concluded on 5 September at Rozalin near Warsaw. The debate concerned, among other subjects, the role of young deputies in our parliamentary life and the situation of youth in the PPR. The meeting was arranged by the Union of Polish Socialist Youth.

According to one of the meeting's conclusions, the deputies should devote more time to maintaining close contact with the electorate, and thus--through talks, consultations, listening to the opinions voiced by the broadest social strata--to gain better insight into our state's situation and to discharge better the mission entrusted to them. Equally important for the deputies' activity is to follow up carefully how the enacted bills have been practically implemented, and how effectively the legislative intentions have been directly confronted in life. A special role in the Sejm is played by the PZPR parliamentary faction. Its head, Tadeusz Porebski, member of the Politbureau and secretary of the PZPR Central Committee, described the next and the most urgent plans of the faction to the meeting participants.

A major controversy goes on--and not among young people alone--about the recently passed youth law. The meeting accepted the opinion voiced by Aleksander Kwasniewski, the minister for youth affairs, who also took part in the debate, that discussing the rationale of particular clauses of the law would be at present fruitless. Such demands are still being heard, but all the conditions should be shaped--both in the consciousness and the attitudes of young people and in state institutions--to ensure their practical implementation for the sake of the youth and of the country. Characteristically, the meeting took notice that young people are not yet satisfactorily acquainted with the law itself, and with the opportunities it offers.

Despite skeptics and critics, let us propagate the law among our young people, and prove its enormous significance for the younger generation: the youth itself will then decide, how it should be carried out--this conclusion of the discussion was accepted as the motto of the whole meeting, and as the goal our young deputies should aim for in the near future.

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## NEW ZSL PUBLICATION APPEARS

Warsaw ZYCIE WARSZAWY in Polish 10 Sep 86 p 3

[Article by (a), "TIM Already On Sale"]

[Text] The first issue of the new Illustrated Weekly Magazine-TIM, published by ZSL Publishers, was just put on sale.

TIM aims to become a family magazine, addressed to all ages. The new weekly quotes a slogan suggested by its readers: To entertain without lying, to teach untiringly.

The first issue brings, among others, reminiscences of Wojciech Witos' grandson; in a discussion on the POSTRZYZYNY [Hair-clipping Rite] movie, well adapted young people speak about their ill adapted contemporaries.

The role an educator might play in preventing family conflicts--is a question which will keep emerging in the memoirs of Maria Lopatko. In a weekly column, Mikolaj Kozakiewicz stakes his claim to vent his opinions on various issues.

Violetta Villas, interviewed by a TIM journalist, declares: "I have made a sacrifice of myself." The singing princess, Stephanie de Monaco, appears on a hit list prepared for the magazine by Bogdan Fabinski, the radio disc jockey. A lot of space has been devoted to teach cooking, fashion, and sexuology. Those eager to argue are presented with an always hot issue: "Pornography--for shame or for acceptance?"

TIM announces that it is going to publish "The Diary of Adolescence" by Michalina Wislocka; an interview with Andrzej Rosiewicz, "Between Ursynow and New York;" some unknown pages from modern history, "The Agent Who Outsmarted Hitler: Behind the Scenes of the Allied Invasion of Normandy." Price: 25 zloty.

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CSO: 2600/46

## PARTY 'DESERTERS' WISH TO RETURN

Warsaw ZYCIE WARSZAWY in Polish 12 Sep 86 p 3

[Press review: Ryszard Biskup on returns to the party in SLOWO LUDU, 9 Sep]

[Excerpt] Not just the weakest were once unable to withstand pressure of their environment. Not just the least resilient submitted to constraints and capitulated in front of noisy agitation. Among those who returned their party membership cards, there were many confused workers. Today, years after the event, they admit that it was fear which had induced them to act this way. Five or 6 years ago emotions were stronger than reason, good sense, and responsibility. Reflection came later. Today some of the deserters admit they are deeply ashamed. After all, they are aware that one gesture had broken their ties [to the party]. Thus many honest and reliable people had lost the trust and the respect of their fellow workers.

Those who have deeply reflected about their errors, who have rethought once more all the motivations, and weighed all the circumstances, are now making the decision to return. It is a difficult return...

Those who had failed, who had deserted the party at its most difficult time, have to convince their comrades that they have understood their mistake. They have to regain their trust.

12485/9835  
CSO; 2600/46

## CONDITIONS FOR VISITING FAMILY GRAVES IN USSR TOLD

Olsztyn GAZETA OLSZTYNSKA in Polish 15 Sep 86 p 5

[Text] People who intend to visit the graves of their relatives, buried at cemeteries in the Soviet Union, have been calling at the socio-administrative department of the voivodship's Office in Olsztyn. In that connection the management of that department asked the USSR consulate general in Gdansk for information about the necessary formalities for obtaining a document allowing to travel to the USSR. The consulate delivered the following answer: According to the regulations which are in force in the Soviet Union, citizens of Poland and Soviet citizens who are permanent residents of Poland have the right to apply for entry to the Soviet Union for the purpose of visiting the graves of their relatives on the basis of visas obtained from the USSR Consulate. For that purpose they need to deliver the following documents to the USSR consulate general in Gdansk (15, Stefan Batory Street):

1. An application for permit to enter the USSR giving the purpose of it, the date of entry and length of stay in the USSR.
2. Fill out the questionnaires received at the consulate.
3. To present a document from the Red Cross or Red Half Moon in USSR or the Polish Red Cross, confirming the place where the relative was buried as well as the fact of the present existence of the grave. This document remains valid for 5 years.

12470/12951

CSO: 2600/47

## BRIEFS

ISLAMIC CENTER PROJECT--Construction will soon start in the Islamic Centre Project in Bialystok in South-East Poland where half of Poland's 4,000 Muslims are found. The project has an area of about 12 Hectares and comprises a Mosque, a Qurani School, a Library, and an Islamic Museum which displays Muslims' History in Poland. The project also comprises a Guest House. The funds for this project have been realized by Muslims' efforts and donations together with the participations of Islamic boards. Organizations and Societies the world over. [Text] [Tripoli AL-DAANA AL-ISLAMIA in English 1 Oct 86 p 1] /9274

CSO: 2020/24

## SOCIOLOGIST JAKSIC INTERVIEWED ON VIEWS ON POSTWAR HISTORY

Belgrade MLADOST in Serbo-Croatian 13 Oct 86 pp 14-17

[Interview with sociologist Jaksic, Social Sciences Institute, Belgrade, by Dragan Biskupovic; date and place not given]

[Text] [Question] Six years ago you wrote a book called "Svest socijalnog protesta" [The Consciousness of Social Protest]. The book has only now appeared in shop windows. Were there problems in getting it published?

[Answer] The fact that it has been published means that the problems have been solved, and the fact that it waited so long signifies that there certainly were problems. It took me more time, effort, and persistence to get it published than to write it. After so many years of waiting I have no attitude whatsoever toward this book, nor do I have any feeling of joy that it has come out.

[Question] "Svest socijalnog protesta" is one of the first books of sociology which talks about the bolshevization of our party and about Yugoslav international Marxism. Is our party bolshevized at present, and to what degree?

[Answer] I would not say that this is one of the first books on this topic. I am grateful to my fellow historians who had done a large research job ahead of me. My book is not a piece of history, but the attempt of a sociologist, ultimately the attempt of a Marxist, to think through something in the past of an organization which for almost half a century has been exerting an essential influence on the destiny of Yugoslav society.

It is difficult to answer the question of whether the League of Communists is bolshevized even today and to what extent. Today the LCY is a complicated political organization in which one can encounter differing and indeed even contradictory ideological influences. The contribution of Yugoslav Marxists and of the LCY to the criticism of Stalinism and to de-Stalinization is not insignificant: the idea of a single center of the world revolution was rejected, and the principle of monolithic unity has been dead for a long time now and replaced by the idea of the plurality of self-management interests, which is still awaiting its verification in theory and practice. Stalinism, however, has been withdrawing most slowly from the sphere of ideology, which has remained obsessed with the idea of the enemy. Wherever sober policy has sought

support, the "vigilant" ideologues have always taken pain to detect enemies. Indeed in the very approach to culture and science as an "ideological front" there is a strong Stalinistic bias which is contrary to the program of the LCY, but very tenacious in its practice.

#### A Fatal Conflict

[Question] How did the bolshevization of communist parties come about?

[Answer] The October Socialist Revolution brought authentic enthusiasm to Europe's socialist movement. To be sure, the tsarist tyranny had been destroyed even earlier, in February 1917, and then the bourgeois democratic revolution, as is well known, turned into the Bolshevik revolution in October of the same year. It has been left to the historians to ascertain whether it was too early or too late. But there is no cause to doubt the great enthusiasm of thousands of European socialists over the October Revolution, over Lenin and Leninism. The idea of the possibility of a communist revolution seized all of Europe, and was alive during those first postrevolutionary years in the European latitudes, and that means with us as well.... We had a modest, but important socialist movement even before the October Revolution, and that is a fact which should not be forgotten. The conflict over bolshevization began as a conflict between the traditional European socialist orientation of the movement in what is now Yugoslavia and a new wave of Bolshevik revolutionary elan.

[Question] How was that conflict reflected in what is now Yugoslavia when the division occurred in the movement?

[Answer] The conflict had several dimensions. In terms of theory the most important dispute was conducted over the 21 conditions for membership in the Communist International. In our part of the world that dispute turned into a conflict between people who had a rich socialist experience (such as Dragisa Lapcevic and certain other Yugoslav socialists) and new people (some of whom were coming from the Soviet Union), who stood altogether on the Bolshevik position. The second congress (in Vukovar), at which the party changed its name and accepted the condition, represents in a way the end of that conflict, since the division occurred within the movement. The main problem which was posed then (I think it was not the issue of whether or not to join the International) was whether socialism was possible in what is now Yugoslavia and what kind of socialism that would be. Those who had more experience and who had been brought up in the traditions of European socialism (it should not be forgotten that the Serbian Social Democratic Party had adopted the Erfurt program of the German Socialists and that in the other parts of what is now Yugoslavia the Socialists were under the influence of Austrian socialism and Marxism) felt that only a cultivated working class movement with a strong working class that had been hardened in the struggle against capital could carry out a revolution. They felt, that is, that advanced capitalism was the fertile soil of socialism, and since there could be no question of advanced capitalism in what is now Yugoslavia, they said that the conditions did not exist for a revolutionary overthrow in Yugoslav society. However, it was clear to the Bolshevik line, which had been borne in the party, that certain conditions did exist for a revolutionary overthrow. They knew that the newly created

government structure had risen up upon contradictions, and they were convinced that the idea of a communist overthrow could be nurtured by those contradictions, especially since after the war there were large numbers of people who were hungry and dissatisfied. Moreover, the echo of October was extremely strong, and they felt that this also could be a great force in motivating the people to take up the idea of a communist revolution in Yugoslavia.

[Question] Of course, it suited the bourgeoisie for the party to be under Bolshevik influence. How did it react?

[Answer] It turned out that the Yugoslav bourgeoisie was not especially unified either. Nor was it up to the demands of the historical situation. Internally at odds in the fight for power, it made its own compromises and had a single idea of how to maintain and reinforce authority. What came then is what must always occur in an underdeveloped and integrated society. With the declaration and the Law on Protection of the State the bourgeoisie prohibited organizations of the communist and working class movement. As Stojan Protic has noticed, in doing so it quite clearly abandoned the foundations of the legitimacy of the government system. This had tragic consequences in political, public, cultural, and, if you like, even the economic life of interbellum Yugoslavia. Stojan Protic, by contrast with Svetozar Pribicevic, who at that time was an outspoken advocate of prohibiting the activity of communist and working class organizations, but later was himself the victim of that same line of policy which he thought should be applied toward the Communists, was timely and intelligent in noting the political banefulness of the anticommunist measures. This, then, was our real historical situation. In that situation of political monopoly no great amount of reason and tolerance could have been expected on any side, which, incidentally, is the case even today.

#### The Red Messiahs

[Question] In the first half of the book you elaborate the topic: "From the Conception of the Vanguard in the Communist Manifesto to the Bolshevik Imperative." What was the course of that process?

[Answer] For me the Manifesto was one of the key points in the attempt to understand both Bolshevism and Stalinism for the simple reason that Marx and Engels decidedly stated that Communists do not have any higher interest independently of the proletariat. They spoke about a large number of worker parties which had common historical goals. And one of the issues around which the international working class movement revolved was whether Communists were Messiahs who were to take power and bring about paradise on earth for the proletariat or whether these were working class fighters who have no separate interests whatsoever, not even a special interest in holding power? The answers to that question differ. Certain currents in the working class movement have vacillated over these questions, but the historical experience that has crystallized out is that there is no whip that leads to paradise, regardless of who holds the whip and what idea he has about revolutionary justice. At the same time it is quite understandable that the Bolshevik party, as a radical offshoot of Russian social democracy, which had grown up out of a broader intellectual, socialist-oriented legacy of ideology and ideas in Russia and



Europe, had to be a militant organization forced underground in the conditions of the tsarist tyranny. Its adversary was one of the best organized police forces of its time--the Tsarist Okhrana. Under those conditions iron discipline was required of the members of the party, an aptitude for conspiracy. A professional revolutionary fighter prepared for sacrifice was needed. This is understandable in historical terms, but the riddle remains: When a party takes power, why does it retain the features and the methods which it used when it was operating underground? Why, for example, are closed party meetings retained even today in certain parties? This has to be studied in order to see where the problem is.

[Question] Do you feel that the Bolsheviks abandoned certain of the essential ideas of the Communist Manifesto?

[Answer] The essential thing is not whether or not they abandoned the ideas of the Communist Manifesto. I have mentioned the social framework in which the Bolshevik party developed, and that also signifies the origin of the need for underground revolutionary activity. No one has reason to doubt the sincere revolutionary motives of the Bolshevik revolutionaries, of Lenin and his comrades. The problem is that certain things in history cannot ultimately be skipped over. I do not doubt that some people wanted to achieve Communism overnight, but this was obviously unfeasible. When you take power, you cannot accomplish overnight the political program which you had while you were operating underground, however much you might believe in the power of political will. Then the fateful question is posed: Whether to try to achieve as much freedom as possible for the largest number of people or to achieve the maximum goals contained in that program regardless of the sacrifices. That is one of the possible dilemmas that the Bolsheviks confronted. Lenin resolved that dilemma with a feel for political reality. But even here problems remain. If you really want to turn the world upside down, to accomplish a worldwide overthrow, then probably you are not concerned about the price of that overthrow, you are not concerned about the consequences that your actions will have. Ultimately, Russian society had been created over the centuries, and it would take time for it to undergo radical change, just as is the case with any other society. Historical continuities are very deep, very strong, and regardless of the power of revolutionary determination and of sincere human motives, it is not possible to change society so quickly and easily.

[Question] To what extent, in your opinion, was Russian history a precondition for the development of Stalinism as well within the Bolshevik party?

[Answer] I think that the influence of Russian history has been left a bit neglected in the analyses of Bolshevik policy. More attention has been paid to what the Bolsheviks attempted to do, to what they did, and there has been less analysis of the historical conditions in which they operated, to what the actual historical and political legacy of the Russian people was. Wasn't autocracy one of the real factors present in that political legacy? Didn't people feel a need for autocracy, especially in crisis situations? Can all of this be skipped over in analyses at this point? In any case, Stalinism is not the sole legitimate offspring of Bolshevism, much less of Marxism, nor does it constitute a counterrevolutionary within Bolshevism. It came about as a

logical result of a whole series of circumstances. I will not say that it was inevitable, but I do say that it cannot be explained solely of its origins in Bolshevism. There is no doubt that the factors of Russian political and cultural history must also be included in the analysis, and when the historical circumstances are clarified in more detail, we will arrive at a more realistic assessment of Stalinism. Accordingly, I neither say that Stalinism was a historical inevitability, nor do I say that when you say Stalinism you have said everything there is to say about Bolshevism. Why, then, would Stalin have needed to kill so many Bolsheviks, indeed those that were the best, the most influential, and the most important? Nor are we dealing here merely with a struggle for power. Trotsky's example speaks most eloquently on that point. At the moment of Lenin's death, power was not the basic reference point and principal value in the life of Leo Trotsky. Had it been, he certainly would have behaved differently, he would have behaved more like Stalin. This can also be said of many other Bolsheviks known and unknown. It is a question, then, of an entire nexus of complicated circumstances. Although exceptional studies have been published on this topic, it remains even yet a powerful challenge for researchers.

#### The Fateful Error

[Question] How much influence and what kind of influence did Bolshevism have on the Yugoslav communist movement between the two wars and on formation of the consciousness of prewar Communists?

[Answer] It had a strong influence. So strong that it could not have been stronger. That influence was not felt only among the Communists, the members of the party, but also among progressive people who did not belong to the party, but who were ready to collaborate with it. We should realize that in the early thirties, because of the sectarianism in the party and in the Comintern and also because of the repressive measures of the interbellum regime, the party was often on the margin of social events and indeed even outside that margin. The party numbered a few hundred members, no more, and they were under the strong influence of the interests of the Soviet Union. They looked to the Soviet Union not as their second homeland, but indeed as their only homeland, and they felt that every weapon should be used in the fight for the Soviet Union. They felt that that was the interest to which all other human and social interests in Yugoslavia should be subordinated. In other progressive circles this aroused a certain skepticism toward the Communists. Not to mention that the interbellum political regimes treated Communists as members of a network of Soviet agents because of that attitude. In any case, to be a Communist in that period was a courageous act of human sacrifice, and every researcher must appreciate that regardless of all the errors which the Communists were carrying in their convictions--such as the error that Yugoslavia should be shattered.

[Question] The Bolshevik influence was mistaken in that case, but it did play a large role and had an immense importance for the Communists in undertaking the revolution.

[Answer] Yes, but let us be clear on this point, it was the people that undertook the revolution. The revolution happened in the face of certain strategic conceptions of the CPY, not thanks to those strategic conceptions. This is something that we have to concern ourselves with a bit more. When I say this, I am referring first of all to the following: in interbellum Yugoslavia, especially after the plenum of the Communist International in 1925, at which the Resolution on the Yugoslav Question was adopted, the Communists believed deeply in the revolutionary potential of national movements on our soil. It turned out, however, that in 1941 the national movements by and large went over to the leaders of national treason, they went off into fratricidal and religious warfare, they showed themselves to be the backbone of the fascist occupation on this soil. Here I am thinking above all of the Ustasha and Chetnik movements. In 1932 the Communists saw the Ustasha movement as an ally in the process of breaking up Yugoslavia and they tried to mobilize the Ustashi in a revolutionary direction. But all of those who believed then in the revolutionary potential of the national movements had to arrive at the tragic realization that those national movements had gone in an altogether different direction and had brought Yugoslavs one of the most tragic pages of their history.

Second, the Communists believed that the industrial workers would be the vehicle of the revolution. However, that class was underdeveloped. I am not thinking here only of the number of workers in interbellum Yugoslavia, but also of their revolutionary consciousness. To be sure, we did have the Kragujevac worker battalion, but that was the exception, not the rule. The resistance of the workers to carrying out sabotage in their factories, although the CPY called for this at the beginning of the war, is also well known. The peasants, young peasants above all, constituted the backbone of the Partizan units, and their leaders were members of the party and members of SKOJ, and above all the intellectuals who belonged to SKOJ.

The third factor which is essential to understanding that situation is genocide, the genocide against the Serbian people, and then also the genocide against the Jews and Gypsies. I think that the genocide against the Serbian people was a strong motivational factor, first for the resistance to fascism, second to resistance to the domestic traitors, and third, it influenced people in the direction of committing themselves to revolutionary struggle.

It is to the great historical credit of the Communist Party that it articulated the resistance of the peasant masses to the mass slaughters and shootings, to the eradication of individual villages and indeed even regions with Serbian population, that anger and revolt of the people, in the direction of the struggle for a more just society. The slogan was brotherhood and unity, and it remained a lasting value of that tragic period of our more recent history.

#### Repressive Protection

[Question] The revolution was victorious, we got a one-party system. The party took power, and at the same time it operated repressively on occasion, right up until the conflict with Stalin, but also later. How do you see that period?

[Answer] After '45 the CPY was the absolute victor and it could do what it liked and do so with the exceptionally strong support of the people. It had support in the regions where the people had fought with the party, which was understandable, but also in those regions where it did not have the support of the people, because of collaboration with the occupier, had to keep silent, so that once again it could conduct its policy the way it wished. Repressive measures were applied even later, and they are nothing new nor any exception even in democratic and civilized societies. However, the question is toward whom and how they are applied. For instance, after the war repressive measures were applied toward a number of prewar bourgeois politicians who had not collaborated with the occupier, for example, toward Dragoljub Jovanovic, although I think that they were unjustified. Another question is whether repressive measures should have been applied toward individuals, but were not. I am thinking above all of Ante Pavelic. For example, Slobodan Jovanovic was tried in absentia, and he had been an allied prime minister. It is another matter that ideology rightly or wrongly treated that government as a treasonous government. However, we dare not forget the fact that the existence of that government guaranteed that the fascist partitioning of Yugoslavia would never become an act recognized in international law. Nevertheless, no trial of Ante Pavelic was ever organized, even in absentia. This is a mortgage, indeed a mortgage that is felt to a good extent even today, and it will be felt still more.

[Question] Our party was under the strong influence of Stalin right up until the open conflict with him. What is your comment on that collision?

[Answer] The Communist Party of Yugoslavia was a section of the Comintern until it was abolished, which was the result of the real balance of political power among the allied forces. The Information Bureau was formed to represent the unified center of the communist movement, and in that regard Stalin did not give up the ambition of managing communist organizations throughout the world from a single center. The particular idea concerning the role of our party was also indicated at the time when the Information Bureau was established. This is understandable in view of the revolutionary prestige and capital gained in the struggle against fascism. The example of the Communist Party of Yugoslavia to put the large communist parties of the West, such as the Italian and French parties, in their place. This provides us with an interpretation of those fierce attacks that came from Rome and Paris after the Yugoslav break with the Cominform. The break with Stalin was in any case an immense achievement to be credited to the CPY and there is hardly any researcher who could arrive at a different assessment. I think that the propaganda on both sides exaggerated at the time, especially the propaganda directed toward Yugoslavs: A great deal of harmful and unnecessary bias was created on both sides. The dispute between Yugoslavia and the Soviet Union was overcome thanks to a very patient policy of cooperation, but the question of our basic attitude toward the Soviet Union as a friendly country, but also a great power, has still remained.

Another important thing is this: Our people spoke a great historical "No!" to Stalin, but the question is whether they also said that same "No!" to the Stalin within themselves? That should also be carefully analyzed. That is, I

am not certain that the people who at that time conducted the policy against Stalinism did not themselves use Stalinist means. To some extent this is in fact understandable. The people who committed themselves to the Cominform Resolution had been trained in the Short Course in the History of the CPSU, on the Questions of Leninism, and in Stalin's schools. The people who were fighting against the followers of the Cominform had been taught in those same courses and in those same schools. They applied toward them measures which the civilized world condemns, but they were the only means that they knew to apply. Those who were punished included not only those who were guilty, but also those whose guilt was never proven, who were only suspicious, skeptical, but in any case innocent. It is unfortunate that quite a large number of innocent people were punished.

### Intellectual Value

[Question] You mentioned Slobodan Jovanovic. His books are not printed, nor are those of other intellectuals between the wars who were on the other side. Nor are books published by postwar intellectuals who came into conflict with the party, people like Milovan Djilas. What do you think, should their books be published?

[Answer] Why not?! But, you know what, I am not sure that when he was in power Milovan Djilas would have published the writings of Slobodan Jovanovic. But that is not important at this point. The most important thing is to see which book constitutes an authentic intellectual value. Every intellectual value deserves to be published and critically evaluated. If someone thinks that the writings of Slobodan Jovanovic should be published, he might say that this is an exceptional figure in the field of the social sciences, a man whose intellectual opus is rich and valuable. But at the same time the publication of his writings ought not to signify a political rehabilitation of Slobodan Jovanovic. At this point we neither have the writings of Slobodan Jovanovic, nor a critical study of his political convictions. Much the same is true with the political metamorphoses and turnabouts of Milovan Djilas, who, by contrast with Slobodan Jovanovic, was first of all a politician, and only thereafter a figure in the field of culture. I am not able to keep up with everything, but it would not bother me at all for everything that has intellectual value in his writings to be published. I do not think that this would signify a political rehabilitation of Milovan Djilas in any sense whatsoever. Those two topics are mistakenly linked together. Yugoslav society is a poor one, but I sometimes wonder if it is not contributing itself to its own poverty. On one occasion certain values are driven out of public life, others on a second occasion, and still other cultural values on a third occasion, and so on it goes. Is intellectual poverty any wonder then? It would seem that we need a spirit of tolerance and understanding of those who think differently. Those who think differently must not be treated as enemies. Let us not create enemies where they do not exist.

[Question] Bureaucracy, as we have said, does not have much of an ear for intellectual values and intellectuals. Doubt is cast even upon those whose writings are published in large printings, like those of Dobrica Cosic.

[Answer] We actually do not have any bureaucrats. If we had bureaucracy in Weber's sense, we probably never would have gotten into this situation. The fact that we refer to anyone with power, be it little, moderate, or great, as a bureaucrat, is often indicative of our immature theoretical and social consciousness. A number of people in Yugoslavia have great power without responsibility. However, I am far from the thought that those oligarchical groups at various levels of the organization of society should be considered bureaucratic groups. If we had more managers and more bureaucrats (in Weber's sense), who know their job and who could be controlled by a democratic public, I think that our situation would be considerably better.

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## LCY WEEKLY REPORTS ANTI-LCY VIEWS OF FREEDOM GROUP

Belgrade KOMUNIST in Serbo-Croatian 31 Oct 86 p 3

[Excerpts] Everyone at this time of crisis has his "project" for changing the world. Oppositionally-oriented intellectuals for years have been varying the same themes and political subject matter.

According to them, everything comes down to the fact that the LCY should be pushed from the political scene, because, as they write and say, it is "historically to blame" for everything negative that is happening in our society.

Most agile in support of the "re-ordering" of the world on a bourgeois basis, the Council for Defense of Freedom of Thought and Expression which in its "Proposal for Establishing a Rule of Law" sent to the SFRY Assembly, to the Yugoslav socialism. For the group gathered around the Council the oppression of human freedoms and rights in our country is no longer sporadic in nature but general and historical; because, they say, in this country true rule of law does not exist. "The ruling circles" govern the country on the principle of so-called revolutionary voluntarism, i.e. they do what they want and how they want. But even the official circles would not do what they do, they write, if they were not directed "by the prevailing ideological project [projekt] of socialism," which, they believe, is without civilizing achievements, and that means also without "the concept of the rule of law."

In short, for the members of the Council the main problem lies in the following: "A rule of law in the true sense of the word means the legal limiting of the self-will of the government, that is, preventing legal norms from being transformed into mere technical norms from which every moral content and consideration have disappeared." In other words, for Mica Popovic and those who think like him, a despotic power is operating in our country. In order to "save" society, the Council proposes "eliminating the monopoly of power by one political party or any exclusive group, as well as every form of party-state, by means of free and direct elections..." In practicing the lowest petty politics, the members of this "political staff" ask for the elimination of the League of Communists: "No one can permanently and endlessly hold the reins of public power, invoking only one's earlier triumphs and merits, historical mission, and avant-garde role." For them everything that the Party and its members do cannot lead to [anything] good. In the name of a "democracy" which they conceive of, the members of this council ask for the elimination of much of this and the establishment of the possibility "for peaceful public assembly and associating."

The League of Communists of Yugoslavia is accused of everything...that it is a Machivellian party, that it makes use of the deceitful mind, that it is a Cominternist and Stalinist party, that it has never freed itself from Stalinism. Now its elimination from political life is demanded.

This group of Belgrade intellectuals is clearly imparting a lesson to society. To the Party and the public. Nothing could be clearer. To start with, the LC must be eliminated--in their view, a monopolistic political party--, then a new political party must be introduced into the political game which is personified by the Council for the Defense of Freedom of Thought and Expression. This is the kind of "progress" this group of "free-thinking" intellectuals has in mind, for which petty politics along anticommunist lines has become an obsession.

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## CROATIAN LC SAID TO BE OPENING UP, TURNING FROM DOGMATISM

[Editorial Report] Belgrade BORBA in Serbo-Croatian 1-2 Nov 86 p 11 cites a recent article by Nenad Ivankovic in Zagreb VJESNIK ("Surgical Incision in Conduct and Work), alleging a liberalizing change in the newly elected Croatian LC. The first indication of this, it said, was the October election of the original slate of candidates for the new advisory council of the "Vladimir Bakaric" Croatian LC CC Center for Ideological and Theoretical Work. These candidates had been sharply opposed by Stipe Suvar whose views were solidly over-ridden by the majority. Both VJESNIK and Zagreb DANAS, 14 October 1986, p 6, described this as "no minor clash but an essential question of relations based on what is happening on the ideological front." Two views were expressed at the time of this disagreement, DANAS said: "One which is suspect and which would separate from public and party life all those who think differently; and the other tolerant view which believes that in these times of crisis we need all thinking forces, even those which have not completely shared the thinking of...official policy." Or, as VJESNIK said, "It is a question of whether this LC wants to permit itself to be drawn toward the blind alley of dogmatism."

DANAS reported that Celestin Sardelic, member of the Croatian LC CC Presidium, was elected president of the council; and following an interesting discussion, in which about 20 members of the council participated, a work program was adopted. Dr Predrag Vranicki and Dr Veljko Cvjeticanin articulated the basic thought that dominated the discussion: that the essence of our situation lies in the struggle to overcome state socialism and it lies in opposing the worrying tendencies of neodogmatism which have again arisen. Dr Zarko Puhovski said that the newly elected council, gives hope that the council will operate differently than it has up to now. "The LC is in the difficulties because there is no real program. When there is no public [javnost]," Puhovski said, "then scandals are necessary. Those who make it impossible to have a public are, in fact, producing the scandals in Yugoslavia."

The second indication of liberalization, BORBA quoted VJESNIK as saying, were the statements made at a late October meeting of the Croatian LC CC commission of ideological-theoretical work and ideological-political training in the LC. This meeting, somewhat overlooked in the press, it was said, reflected the unanimous belief that a modern society, socially and

culturally divided [like Yugoslavia], cannot develop successfully if it does not include in its development (and make responsible for its development) as wide and intelligent a group as possible. "This is not possible to do, of course, if one does not throw out that type of work and conduct which is incompatible with the tasks and needs of the time, which lives in the ideology of dialectical materialism and in the belief that the task of the Party is to judge and prejudge and to transform itself into an ideological-political policeman.

At this first meeting of the ideological commission Dr Vjekoslav Mikacin was quoted as saying that "we must never get to the point where we are a commission tasked with checking up on [others], or are ideological policemen who constantly related in a negative way to the reality in which we live and act. It is up to us that we be a commission of construction and not destruction." He advocated the rejection of "blind ideological fanaticism and a complete turn-around in the work of the commission (or such commissions) up to now." It should, he said, "be a commission for creating alliances, because our LC, or Party, has always...created alliances with all progressive social forces. This is especially important today when we are faced with a deep crisis in various spheres of life, so [the commission should] not pursue quarrels and hunt down so-called ideological action, unifying, organizing,...aimed toward a common goal: namely, getting out of the stagnant situation."

The new president of the commission, Dr Milivoj Solar, stressed that "ideology and the Ideological Commission must not be some kind of judge, and that the emphasis must be on democratization, on opening up toward the world and differing opinions."

The critics of such views, it was said, usually appear as the god-given guardians of party ideological identity which, according to them, is threatened by everything that does not lead to social and cultural exclusivism (of which they would be the bearers and guardians)." But it is hardly correct that every opening up with in oneself creates the danger of ideological contamination; the article concluded.

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